



# Overview of the Ministry

## Overview of the Ministry

# Operational Overview

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## Overall Ministry Operations and Services

Alberta is home to approximately 786,000<sup>1</sup> children under the age of 18. The Ministry of Children's Services works to protect the safety, security and well-being of children, youth and families.

We work to help children become strong, healthy individuals, and endeavour to provide safe, nurturing environments for the province's children and youth. We also work with families, communities and others to stop abuse and break cycles of family violence.

### **OUR VISION**

Strong children, youth, families and communities

### **OUR MISSION**

Working together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and individuals.

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1Based on Alberta Regional Health Authority Populations, as of June 30, 2006

# Alberta Children's Services



## Annual Report 2006-07

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Alberta



## Annual Report 2006-07

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# Public Accounts 2006–07

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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta released June 21, 2007, contains the Minister of Finance's accountability statement and the consolidated financial statements of the Province. The Measuring Up report released June 28, 2007, provides a comparison of the actual performance results to the desired results set out in the government's business plan.

This annual report of the Ministry of Children's Services contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry, including the Department of Children's Services and 10 Child and Family Services Authorities for which the Minister is responsible;
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of the financial statements, to the extent that the Ministry has anything to report.

## Minister's Accountability Statement

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The Ministry's annual report for the year ended March 31, 2007, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of September 14, 2007, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



*Janis Tarchuk*  
Minister of Children's Services

## Message from the Minister



I'm pleased to present the 2006-07 Alberta Children's Services annual report.

Under Premier Stelmach's leadership, I have been asked to ensure parents have access to quality, affordable child care options; continue to implement the prevention of family violence and bullying initiative; and improve outcomes for children in care or in need of specialized services, including Aboriginal children and children with disabilities. This past year, the Ministry has been working hard to achieve these goals.

Finding quality, affordable child care is important for many Alberta families. Through our consultations, we have heard that our Five-Point Child Care Investment Plan is working. We have also been told that qualified staff, affordable child care and facility space are essential to creating more child care spaces. As a result, we provided funding to increase child care staff wages to encourage them to stay in the field; awarded the first-ever Child Care Professional Awards of Excellence; and developed a *Child Care Licensing Act* that encourages innovative approaches to creating new child care programs and places a priority on the safety of children.

Family violence and bullying have devastating effects on children and families. Through our Community Incentive Fund and our pledge to HomeFront, a partnership between community agencies and the criminal justice system in Calgary, we are continuing to take a collaborative, co-ordinated response to preventing family violence and bullying. We also launched two new campaigns: the *Stand Up and Stop Bullying* campaign, which encourages youth to intervene in a safe way when they see someone being bullied and includes a 24-hour helpline for youth struggling with bullying; and a new family violence prevention campaign that encourages Albertans to find out how they can help someone experiencing family violence.

Being a parent is not easy, and we can all use a hand every now and then. At Children's Services, we have continued to support parents in their important role through the addition of 10 new Parent Link Centres across Alberta and an online Virtual Parent Link Centre. The new website gives parents access to information about choosing child care, communicating with their child, being healthy and safe and more.

A large part of the work we do focuses on protecting children. In November, Alberta became the first jurisdiction in Canada to enact a law to protect children exposed to a parent's or guardian's involvement in serious drug activity, such as manufacturing and trafficking. The *Drug-endangered Children Act* recognizes that these children are victims of abuse and ensures they are removed from these dangerous environments.

This past year, we have also focused on helping parents protect their children from sexual exploitation. Technology has been beneficial in so many ways, but it has also proved to be a challenge when it comes to keeping our kids safe. That is why we partnered with Microsoft Canada to develop a website that teaches children Internet safety skills through a series of online games. We also created a website written from a peer-to-peer perspective that helps teens protect themselves from online predators. In addition, Children's Services worked with TELUS

to provide workplace Internet safety sessions to help parents feel more informed about how to keep their children safe online.

Children's Services also created four bursary funds to promote leadership in the social services sector. The Child Care Bursary was created to off-set the costs of formal education for leaders or those aspiring to leadership in the child care sector. One bursary will help Family and Community Support Services and Parent Link Centre executive directors and program co-ordinators further their training. Another will help senior staff working with family violence prevention and women's shelters continue their professional development. The fourth bursary will help enhance the skills of senior leadership staff in agencies contracted by the provincial government to provide social services.

Over the next year, we will continue to move our three priorities forward by continuing to support quality, affordable child care, work with stakeholders to take action against family violence and bullying, and work to build strong children, families and communities. We will also continue our strong efforts to prevent the sexual exploitation of children and youth. By continuing to work with community partners, we will make a positive difference to the quality of life of Alberta's children, youth and families.

The work of this Ministry is challenging and fulfilling. It is a line of work that takes your breath away on a daily basis – both in terms of tragedies and triumphs. It is a place where you can never do enough, and yet every little thing you do makes a difference. I continue to be impressed by the passion and commitment of the people who strive to improve the lives of Alberta children and families, and I thank the staff in our ministry and the numerous community agencies we partner with for their tireless efforts. Without a doubt, our investment in our children is helping to make our province stronger.



*Janis Tarchuk*  
Minister

- allow child care operators who demonstrate excellence to obtain a multi-year licence. This will mean less time doing paperwork and more time caring for children.

The Minister also introduced Bill 15, amendments to the *Protection of Children Involved in Prostitution Act*. Bill 15 will change the name of the Act to the *Protection of Sexually Exploited Children Act* to communicate more clearly that children involved in prostitution are victims of sexual exploitation.

The amended Act will better protect sexually exploited children from public identification and give them more time, until the age of 22, to complete programs that help them recover from the abuse and exploitation they have experienced.

The new *Drug-endangered Children Act* took effect on November 1, 2006. It is the first legislation in Canada to define who is a drug-endangered child and make it clear that children exposed to serious drug activity, such as manufacturing and trafficking, are victims of abuse and need protection. Under the new law, child intervention caseworkers and police can intervene to protect children solely because they are drug-endangered. The new legislation should raise awareness of the plight of these children and increase reporting of this type of child abuse. In 2006-07, 25 children and youth were apprehended under the *Drug-endangered Children Act*.

The *Protection Against Family Violence Act* was also proclaimed. The amended Act:

- adds stalking to the definition of family violence to better protect spouses who have left violent relationships;
- provides a more comprehensive explanation of family violence;
- protects vulnerable people, such as seniors, who are being abused by family members not living with them; and
- ensures an abusive parent does not need to be consulted about whether a child receives counselling.

The Family Support for Children with Disabilities (FSCD) regulations were amended. The revised regulations promote consistency, improve transparency in decisions about medical benefits for children with disabilities, and provide additional respite options for families, particularly those living in rural communities.

## Initiatives

The Ministry developed policies, standards and processes to implement the amended *Protection Against Family Violence Act*. The Act is more comprehensive, and the Ministry provided orientation to child intervention staff, police, judges and justices of the peace to help them understand the Act and the dynamics of family violence.

The Ministry worked with Alberta Justice and Alberta Solicitor General and Public Security to advance an Alberta Relationship Threat Assessment and Management Initiative to reduce injuries and deaths from family violence. Through the initiative, experts can better assess and respond to threats of violence.

The Ministry also established agreements with three First Nations women's shelters and provided \$600,000 in annual funding for Calgary's HomeFront, a unique partnership between community agencies and the criminal justice system.

## Management's Responsibility for Reporting

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The Ministry of Children's Services includes the Department of Children's Services, the 10 Child and Family Services Authorities, the Office of the Child and Youth Advocate, the Youth Secretariat, the Social Care Facilities Review Committee and the Appeal Secretariat.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Children's Services. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Children's Services any information needed to fulfil their responsibilities; and,
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

  
Maria David-Evans  
Deputy Minister  
August 18, 2007

The Women's Shelter Leadership Bursary will help senior staff working with family violence prevention programs and women's shelters to continue their professional development.

Several public awareness and education initiatives raised awareness of the serious issue of family violence and bullying. An award-winning campaign, *End the silence. Stop the violence.*, asked friends and neighbours to reach out and help someone experiencing family violence, and a provincial family violence information line (310-1818) was created to direct Albertans to the appropriate resources. The Ministry also completed a review of the Women's Shelter program.

The Ministry worked with the Provincial Prevention of Bullying Youth Committee on the development of the *Stand Up and Stop Bullying* youth campaign. A provincewide 24-hour, seven-days-a-week helpline (1-888-456-2323) now supports anyone seeking information about, or support for bullying prevention and intervention. Other new resources include [www.b-free.ca](http://www.b-free.ca), a website designed by youth for youth.

With the MLA chair of the Youth Secretariat, the Ministry held three youth advisory panel meetings to discuss issues facing Alberta's youth. Sixteen youth provided input into the crystal meth task force, participated in the high school leaving symposium and worked with facilitators to hold youth forums across the province to address anti-bullying and other issues affecting young people.

The Community Incentive Fund awarded \$3.6 million in grants to help 95 communities take action on family violence and bullying. The fund supports local initiatives that increase awareness of family violence and bullying and help communities address more specific issues such as public awareness activities, support groups and projects.

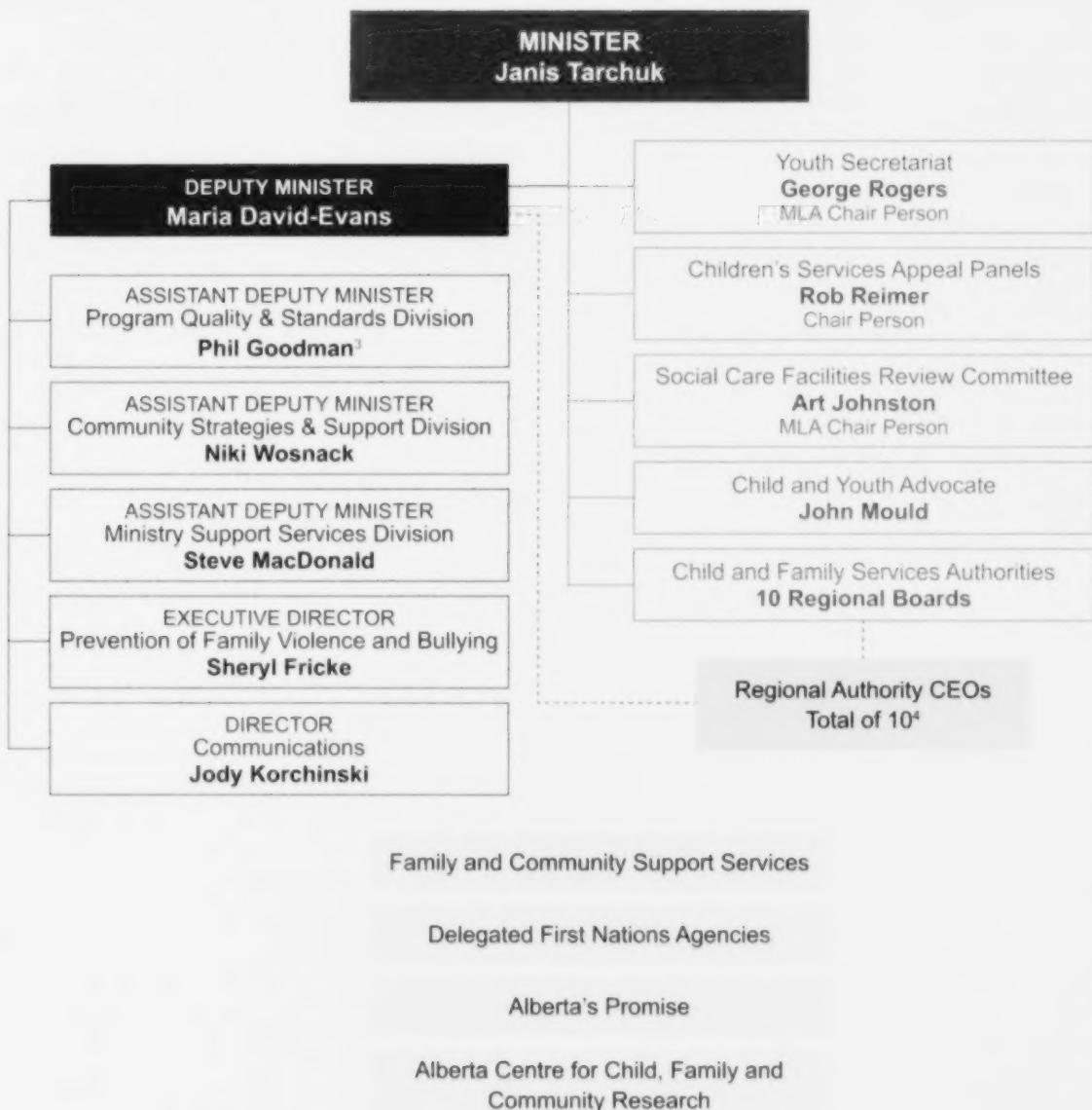
The Ministry worked with Alberta Health & Wellness, the Alberta Alcohol and Drug Abuse Commission (AADAC) and Alberta Solicitor General and Public Security to implement the *Drug-endangered Children Act*. The Ministry provided training to caseworkers, regional health authority staff and Alberta Justice staff on how to use this law to take immediate action to protect drug-endangered children.

After consulting with Alberta's child care operators, the Ministry drafted *What We Heard*, a report on child care spaces. Operators said they can only create new spaces if they can recruit and retain qualified staff. The Ministry responded by making it more attractive for child care professionals to enter and stay in the field by providing \$2 million to increase child care staff wages. It also created a \$1.5 million Child Care Bursary to facilitate training for leaders or those aspiring to leadership in child care.

Since April 2005, child care programs have had the opportunity to become accredited, a voluntary step which raises standards and the quality of care. During 2006-07, 76 new programs became accredited, bringing the total to 167, or 31 per cent of eligible programs. Another 353 programs are working toward accreditation.

The Ministry introduced a Child Care Quality Assurance Framework, which established program and service delivery standards for CFSAs to support quality child care, consistent monitoring practices and accountability for the grant payments made under the Alberta Child Care Accreditation Funding Program.

# Alberta Children's Services Organization<sup>2</sup>



As at March 31, 2007

Mark Hatton was Acting ADM, Program Quality &amp; Standards Division for last quarter of the fiscal year

<sup>3</sup> Dotted lines represent dual reporting relationship for CEOs

## Description of Organization

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The provincial government is responsible for providing services for the safety, security and well-being of children and families. The Ministry of Children's Services fulfils these obligations through the following entities:

### **CHILD AND FAMILY SERVICES AUTHORITIES (CFSAs)**

The Minister of Children's Services appoints a board of community members to govern each Child and Family Services Authority (CFSAs). Legislation, along with a memorandum of understanding and an annual business plan approved by the Minister, guides activities for each board. CFSAs provide supports and services to children, youth and families in various regions throughout the province.

In each region, a Chief Executive Officer ensures CFSAs effectiveness. This person oversees the execution of the board's policies and decisions. Approximately 2,400 staff employed by Children's Services work in the province's 10 CFSAs. When appropriate, CFSAs contract community-based agencies to deliver services.

#### **Each CFSA:**

- manages services for children, families and other community members;
- ensures children and families have access to high quality services;
- assesses needs and sets priorities;
- monitors and assesses the provision of child and family services to ensure quality;
- plans and allocates resources;
- ensures provincial policies and standards are followed; and
- works with other CFSAs, Delegated First Nations Agencies (DFNAs), public and private bodies and government to co-ordinate services for children and families.

## CHILD AND FAMILY SERVICES AUTHORITIES

<b>REGION 1</b>	<b>Southwest Alberta</b> Child and Family Services Authority	<b>REGION 6</b>	<b>Edmonton and Area</b> Child and Family Services Authority
<b>REGION 2</b>	<b>Southeast Alberta</b> Child and Family Services Authority	<b>REGION 7</b>	<b>North Central Alberta</b> Child and Family Services Authority
<b>REGION 3</b>	<b>Calgary and Area</b> Child and Family Services Authority	<b>REGION 8</b>	<b>Northwest Alberta</b> Child and Family Services Authority
<b>REGION 4</b>	<b>Central Alberta</b> Child and Family Services Authority	<b>REGION 9</b>	<b>Northeast Alberta</b> Child and Family Services Authority
<b>REGION 5</b>	<b>East Central Alberta</b> Child and Family Services Authority	<b>REGION 10</b>	<b>Métis Settlements</b> Child and Family Services Authority



## DELEGATED FIRST NATIONS AGENCIES

To better meet the unique needs of Aboriginal children, Children's Services recognizes the need for First Nations and Métis communities to have a role in the design, implementation and evaluation of child intervention services. Eighteen Delegated First Nations Agencies (DFNAs) with Child Intervention Agreements provide services under the *Child, Youth and Family Enhancement Act* to 40 of the 47 First Nations in Alberta. DFNAs receive funding from Indian and Northern Affairs Canada as set out in Policy Directive 20-1.

## FAMILY AND COMMUNITY SUPPORT SERVICES

Family and Community Support Services (FCSS) is a funding partnership between the province and municipalities or Métis Settlements. The Ministry of Children's Services funds 80 per cent of the budget, while municipalities provide the remaining 20 per cent of their annual budget for their preventive social services. Under FCSS, communities design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities. The program depends on community resources, and volunteers are often involved in the management and delivery of programs and services. A total of 298 municipalities and Métis Settlements, organized into 199 programs, provide FCSS funded services throughout Alberta.

## YOUTH SECRETARIAT

The Youth Secretariat works with youth, MLAs, Ministry representatives, government departments and stakeholders to address issues facing Alberta's youth. The Secretariat maintains a Youth Advisory Panel to provide an ongoing youth perspective and to develop effective solutions to issues affecting the province's young people. George Rogers, MLA for Leduc-Beaumont-Devon, replaced Ray Danyluk, MLA for Lac La Biche-St.Paul, as chair of the Youth Secretariat.

## CHILDREN'S SERVICES APPEAL PANELS

The Minister appoints the *Child, Youth and Family Enhancement Act* Appeal Panel and the *Family Support for Children with Disabilities Act* Appeal Panel. These citizen panels provide fair, impartial and independent reviews to Albertans who are affected by an appealable decision as determined by the relevant legislation. Appeal panels are quasi-judicial administrative tribunals, which operate under the relevant legislation. They make written decisions to confirm, reverse or vary a decision of the director. The appeal panels report directly to the Minister and are chaired by Rob Reimer.

## SOCIAL CARE FACILITIES REVIEW COMMITTEE

The Lieutenant Governor-In-Council appoints the Social Care Facilities Review Committee. This citizen panel reviews provincially funded social care facilities, including day care centres and out-of-school care programs, and investigates complaints upon the Minister's request. The committee reports directly to the Minister and is chaired by Art Johnston, MLA for Calgary-Hays.

## CHILD AND YOUTH ADVOCATE OFFICE

The Office of the Child and Youth Advocate represents the rights, interests and viewpoints of children and youth receiving services under the *Child, Youth and Family Enhancement Act* and the *Protection of Children Involved in Prostitution Act*. The Child and Youth Advocate provides information and advice to the Minister about the nature, adequacy, availability, accessibility, effectiveness and appropriateness of services offered to children and youth under those Acts. The Child and Youth Advocate also supports the involvement of natural advocates who want to assist youth receiving services from the Ministry and provides training and support to individuals and organizations interested in advocating for vulnerable children and families in their communities.

## PREVENTION OF FAMILY VIOLENCE AND BULLYING

The Prevention of Family Violence and Bullying division is guided by the *Protection Against Family Violence Act* and the family violence implications of the *Child, Youth and Family Enhancement Act*. The purpose of the division is to:

- Prevent and reduce the social and economic consequences of family violence.
- Work towards an Alberta free from family violence and bullying through a co-ordinated provincial response that includes a comprehensive range of prevention, protection, outreach and follow-up services, supports for children and other family members impacted by family violence and bullying and administering the women's emergency shelter program.
- Work with government ministries and communities to build social change and provincial leadership.

## PROGRAM QUALITY AND STANDARDS

The Program Quality and Standards division provides leadership and support to ensure children and families receive high-quality services that focus on better outcomes for children. Key responsibilities include:

- Quality assurance standards for the Child Intervention and Family Support for Children with Disabilities programs and evaluating outcomes;
- Program policy and service design for Family Support for Children with Disabilities; Protection of Children from Sexual Exploitation and Child Intervention, which includes foster care, group care and adoption;
- Support for CFSAs and DFNAs in training, case consultation, mentoring, mediation and ensuring provincial standards.

## COMMUNITY STRATEGIES AND SUPPORT

The Community Strategies and Support division provides leadership that supports the implementation of preventive programs and builds capacity to effectively use partnerships to enhance community-based services. Key areas of responsibility include:

- Early learning and child care;
- Community partnerships (for example, Family and Community Support Services, Parent Link Centres and the Fetal Alcohol Spectrum Disorder Initiative);
- Board governance, including the Appeal Secretariat and the Social Care Facilities Review Committee;
- Youth strategies (for example, the Advancing Futures Bursary program and youth engagement);
- Collaborative initiatives (for example, Alberta Children and Youth Initiative); and
- Social sciences research.

## MINISTRY SUPPORT SERVICES

The Ministry Support Services division provides strategic and operational support for policy and program development and service delivery. The division co-ordinates and provides the Ministry with:

- Business planning and corporate strategic operations;
- Performance measurement and reporting strategies;
- Legal policy advice, legislative planning and litigation support;
- Financial planning, budgeting, analysis and monitoring processes;
- Human resource strategies, initiatives and services;
- Data resources, records management, information systems and technology infrastructure; and
- Advice relating to the *Freedom of Information and Protection of Privacy Act*.

## COMMUNICATIONS

The Communications branch supports Children's Services in its ongoing two-way dialogue with Albertans and staff. The branch helps inform Albertans about the Ministry's key initiatives, programs and services by providing communication planning, media relations and writing and editing services. Communications also provides guidance and support for public awareness campaigns, website development and marketing, while supporting the effective flow of information through the Ministry.

## ALBERTA'S PROMISE

Alberta's Promise encourages all sectors of the community to direct increased resources to benefit children and youth. The Little Red Wagon is the symbol for Alberta's Promise that provides a focal point for all partners to work and pull together to help children carry their hopes and dreams. Alberta's Promise receives strategic advice from the Premier's Council, chaired by the Premier of Alberta, and inspires and encourages businesses, foundations, agencies and community leaders throughout the province to participate in activities that help children live, learn and grow.

## ALBERTA CENTRE FOR CHILD, FAMILY AND COMMUNITY RESEARCH

The Alberta Centre for Child, Family and Community Research is an innovative, arms-length, not-for-profit corporation that develops and mobilizes into policy priority research evidence related to child well-being. The Centre has several key areas of focus: developing a policy-relevant research agenda in consultation with policy makers and service providers; funding unique research; gathering, analyzing and disseminating relevant and emerging national and international research that is of relevance to Alberta's child well-cross-sectoral research capacity; and analyzing government administrative data to inform policy through the Child and Youth Data Laboratory.

## Ministry Core Businesses

Recognizing the primary responsibility of parents in the development and welfare of children, the Government of Alberta has committed to providing parents and caregivers with the support they need to succeed. Children's Services works in partnership with other government ministries, municipalities through the FCSS program, First Nations, Métis Settlements and community organizations to provide a wide range of supports and services to achieve positive outcomes for Alberta children, youth and families. Children's Services, under the direction of the Minister, takes the lead in three core businesses.

### **CORE BUSINESS 1:**

*Promoting the development and well-being of children, youth and families*

**Goal 1:** Children and youth will have a healthy start in life and the supports they need to reach their potential

Children's Services works with partners to help children have a healthy start in life and the opportunities they need to learn, grow, excel and achieve their potential.

**Expected Outcomes are:**

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy
- Children and youth meet individual developmental milestones

### **CORE BUSINESS 2:**

*Keeping children, youth and families safe and protected*

**Goal 2:** Families will be safe, healthy, and able to promote children's development

The Ministry works with partners to promote community-based strategies and resources that help families be safe, healthy, resilient and self-reliant by overcoming at-risk circumstances and ensuring children reside in permanent, nurturing homes.

**Expected Outcomes are:**

- Children, youth and families overcome at-risk circumstances
- Children, youth and families are safe, healthy, resilient and self-reliant

**Goal 3:** Children in need will be protected and supported by permanent, nurturing relationships

The Ministry intervenes to support families in providing children with environments that are safe, nurturing, free from abuse and neglect, and provide continuity of care.

**Expected Outcomes are:**

- Children and youth in need are protected from further abuse and neglect
- Children and youth in care are placed in secure and stable environments that allow for the development of lifelong relationships and connection to family, culture and community

**CORE BUSINESS 3:*****Promoting healthy communities for children, youth and families***

**Goal 4:** The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted, supported and comparable to that of other Albertans

The Ministry works with First Nations, Métis and other Aboriginal peoples to build on the strengths of Aboriginal communities in developing the governance, accountability and service delivery capacity to promote the care of their children, youth and families.

**Expected Outcomes are:**

- Aboriginal communities have the capacity to meet the needs of children, youth and families
- There are a reduced number of Aboriginal children represented in the child intervention caseload
- Aboriginal children, youth and families receive culturally appropriate services

**Goal 5:** Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families

The Ministry works in partnership with Albertans to build on the unique capacity of communities to deliver the right services for children, youth and families.

**Expected Outcomes are:**

- Communities are responsive to issues/needs faced by children, youth and families
- Children, youth and families participate in decisions that affect them

## Summary of Key Activities

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During the 2006-07 fiscal period, Alberta's children, youth and families benefited from the following legislative and policy changes.

### Legislation and Policy

During 2006-07, the Minister of Children's Services introduced Bill 4, the *Child Care Licensing Act*, the first legislation in Alberta to focus solely on child care. This legislation will make child safety a priority and encourages innovation so operators will create new programs and child care spaces.

Currently, the *Social Care Facilities Licensing Act* regulates child care programs. The new Act shifts the focus of licensing to the quality of programs being provided.

*The Child Care Licensing Act will:*

- give more options to parents, especially those in rural areas;
- monitor operators more effectively to ensure they comply with the Act; and

The Alberta Child Care Professional Awards of Excellence were created by the Ministry to recognize professionals who provide outstanding care to Alberta's children. Families, peers and colleagues nominated individuals who had a significant, positive impact on children and supported Alberta's parents in their role as their child's first and most important teachers.

The Ministry supported parents by investing more than \$2 million to establish 10 new Parent Link Centres bringing the total to 46 centres throughout Alberta. It also launched a Virtual Parent Link Centre at [www.parentlinkalberta.ca](http://www.parentlinkalberta.ca). The annual funding for the centres is now more than \$11 million. In 2006-07, the centres helped over 33,000 parents. Each centre offers a range of services, including play-based learning activities for children and parents, workshops and seminars on parenting and early childhood development, toy-lending and resource libraries, family counselling and information about other community resources. The Virtual Parent Link Centre offers information on child care options, child health and safety, appropriate child discipline methods and ways to communicate more effectively with children and youth.

The Ministry worked in partnership with CFSAs to deliver Fetal Alcohol Spectrum Disorder (FASD) programs and services, including 12 FASD prevention and intervention demonstration projects. The Ministry also hosted the annual Alberta FASD conference, *Promising Practices, Promising Futures*. The conference attracted over 800 participants and community stakeholders, individuals with FASD, caregivers and health and human services workers.

In response to the increased risk of child and youth sexual exploitation over the Internet, the Ministry launched two highly successful public education and awareness campaigns, built on the success of an interactive online game called S-Team Heroes that helps children learn how to handle bullying, introduced in 2005. This year's campaigns were: [www.weron2u.ca](http://www.weron2u.ca), a teen education website that includes safety tips, true stories and information on potential predator tactics; and [www.badguypatrol.ca](http://www.badguypatrol.ca), an interactive website launched in partnership with Microsoft Canada that educates children aged five to 10 about safe Internet use. Together, these sites have received nearly 600,000 hits since they were launched.

The Ministry undertook an initiative to identify actions that could lead to more positive outcomes for youth whose family circumstances, lifestyle and behaviours affect their development and well-being. This initiative involved a review of relevant research, input gathered from youth through a range of mechanisms, learnings from two high-risk youth pilot projects in Edmonton and Calgary, and input from other program areas that provide support to youth with complex needs. The Ministry also completed a review of the Youth Emergency Shelter program.

On April 1, 2006, the Office of the Child and Youth Advocate assumed responsibility for appointing lawyers for children and youth for all matters under the *Child, Youth and Family Enhancement Act* and the *Protection of Children Involved in Prostitution Act*.

A new Memorandum of Understanding with CFSAs identified roles, responsibilities and accountabilities to guide the relationship between the Minister and the CFSAs. Through the Community Partnership Enhancement Initiative, the Ministry worked with the 10 CFSAs and about 200 FCSS programs to enhance joint program planning processes, outreach services, community mapping projects, joint training, professional development activities and service awareness processes.

The FCSS Association of Alberta received \$1.2 million to increase participation in *Making a Difference*, an outcome measurement system that supports municipalities and Métis settlements to measure local and provincial outcomes of FCSS programs and services. In addition, the Children's Services Leadership Bursary will help FCSS and Parent Link Centre executive directors and program co-ordinators further their training.

The Ministry developed a new Casework Practice Model that builds on existing leading practices, gives children, youth and families more input into decisions and helps caseworkers create more effective, strength-based solutions and build relationships with families. The model enhances the delivery of the *Child, Youth and Family Enhancement Act*. The Ministry began implementation in 13 champion sites.

Children with severe disabilities, particularly those living in rural communities, benefited from improved access to multidisciplinary teams and specialized services through video conferencing and community partnerships. Families are also benefiting from greater efficiency and consistency in the delivery of services. The Ministry promoted awareness of supports and services for children with disabilities and their families through the 24-hour Child Disability Resource Link and through materials distributed by Parent Link Centres, FCSS programs, community health centres, medicentres and pediatricians.

The Ministry increased Advancing Futures Bursary funding by nearly \$900,000 to a total of over \$4 million. Established in 2003, the Advancing Futures Bursary helps youth who are, or have been, in care with education costs, including tuition, books, supplies and living expenses. In 2006-07, 403 youths received bursaries.

Partnerships with CFSAs and DFNAs continued to address gaps and improve services for Aboriginal children and youth. With the Métis Nation of Alberta, the Ministry developed joint strategies and began implementing a provincial action plan to address issues that affect Métis children receiving Ministry services.

The Ministry also worked with DFNAs and Indian and Northern Affairs Canada to develop a family enhancement initiative that will increase federal funding for prevention and early intervention services on First Nations reserves. This flexible funding will improve access to community resources, reduce the number of children coming into protective care, ensure children live in safe and nurturing homes, and enable full implementation of the *Child, Youth and Family Enhancement Act* for children, youth and families living in reserve communities.

Through Alberta's Promise, the Ministry increased partnerships with the corporate community. Key partners include Enmax Energy Corporation, CTV Edmonton, IBM Canada Limited and McDonald's Restaurants of Canada. The overall number of partners now exceeds 1,000. Alberta's Promise renewed its strategic direction to include more direct advice to partners on how to maximize their impact in creating opportunities for young Albertans.

The Ministry established a bursary which will help agencies contracted by the provincial government to provide social services. The Alberta Association of Services for Children and Families will administer this bursary, which will help senior leadership staff continue their education and enhance their leadership ability.



# Results Analysis

## Results Analysis

## Message from the Deputy Minister

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Over the past year, Children's Services improved the lives of Alberta's children, youth and families through a number of key programs, initiatives and services. I would like to thank Ministry staff, along with our community and government partners, for their tremendous dedication, service to Albertans and support for strong children, families and communities.

Children's Services addressed the demand for quality, affordable child care in a number of ways. Alberta is the only province in Canada to offer a provincewide accreditation program. This past year, 76 child care programs were accredited, bringing the total to 176 programs that meet child care standards of excellence. We also helped make the child care profession a more attractive career by providing an additional \$2 million to increase child care staff wages and establishing the \$1.5 million Children's Services Child Care Bursary to facilitate leadership training for senior child care staff. The bursary program will also enhance the sector's capacity to deal with operational challenges.

The Ministry also continued its efforts to make Alberta free from family violence and bullying. Through the Community Incentive Fund, we invested \$3.6 million in 95 projects across the province that help prevent family violence and bullying. In addition, we supported a three per cent salary increase for all contracted women's emergency shelter staff and introduced the Women's Shelter Leadership Bursary to assist senior staff in their professional development. Children's Services also launched two public awareness campaigns. *End The Silence, Stop The Violence* encouraged Albertans to reach out to victims of family violence through an award-winning television ad, movie theatre ads and a new toll-free information line. The *Stand Up and Stop Bullying* campaign was developed in conjunction with youth and included a new 24-hour bullying helpline and a teen-focused website – [www.b-free.ca](http://www.b-free.ca).

Providing quality services for children with disabilities, children in need of specialized services and Aboriginal children is a top priority for the Ministry. Children's Services worked with First Nations in Alberta and Indian and Northern Affairs Canada to secure funding to work with children and families on reserves before they reach crisis. We also made changes to the Family Support for Children with Disabilities program to ensure consistency of services and increase the care and support options for Alberta families, especially those living in rural or remote parts of the province.

This past year, the Ministry undertook a number of key initiatives to better protect children from sexual exploitation. The *Protection of Children Involved in Prostitution Act* was amended to help protect the privacy of sexually exploited children and give them more time to complete programs that help them recover from abuse. The legislation was renamed the *Prevention of Sexually Exploited Children Act* to better recognize these children as victims of abuse. The Ministry also launched [www.weron2u.ca](http://www.weron2u.ca), an interactive website for teens with tips and information about how to stay safe from online predators.

One of the Ministry's main focuses was to improve how frontline staff work with children and families. We completed the development of the Casework Practice Model, began testing the model and trained staff in Champion Sites across the province. The Casework Practice Model better supports the *Child, Youth and Family Enhancement Act* and allows caseworkers more time for a deeper analysis of the causes and conditions of a family's situation and will help improve the lives of the children we serve. We also found success with our Mediation Pilot Program

that effectively resolved hundreds of disputed child protection cases and worked to support collaborative decision-making with families – leading to early resolution of family conflicts and early permanency for children. The Ministry also conducted two pilot projects in Edmonton and Calgary to identify solutions that could lead to more positive outcomes for youth whose family situations, lifestyles or behaviours have put them at risk.

Children's Services realizes the power and importance of youth participation. The Uniting for Children and Youth Forum brought together more than 1,000 youth, service providers and parents to share expertise about how to best meet the needs of Alberta's children and youth. Our youth advisory panels continue to build strong relationships with community and government leaders and make a difference on issues that matter to children and youth. At the Great Kids Award ceremony, 16 outstanding Alberta children and youth were recognized for their tremendous accomplishments at home, at school and in the community. Through the Advancing Futures Bursary, Children's Services awarded more than \$4 million in educational bursaries to more than 400 youth who are, or have been, in care to help them realize their education, career and life goals.

Cross-ministry work is vital to achieving positive outcomes for Alberta children and families. Through the Alberta Children and Youth Initiative, we continued our government-wide effort to provide effective and efficient support to children, youth and their families. We worked in partnership with several ministries to develop and implement the *Protection Against Family Violence Act*; address Fetal Alcohol Spectrum Disorder through awareness, prevention and support initiatives; launch a video conference initiative, which provided important learning opportunities to 900 Albertans and 700 Ministry staff in dozens of communities across Alberta; and implement the *Drug-endangered Children Act*, which helps protect children from the harmful effects of drug manufacturing and trafficking.

The coming year will present new challenges for Children's Services, as we continue to provide support to Alberta's children, youth and families. Implementing our Casework Practice Model and working with families to help them build on their strengths will further improve outcomes for the children and families we serve. Continuing our work to prevent family violence and bullying will make our communities safer and more secure. Providing parents with access to affordable child care options and continuing the accreditation process will ensure high quality, safe and affordable child care for Alberta families. By advancing our cross-ministry action to address Fetal Alcohol Spectrum Disorder, we will help increase awareness of the disorder and provide better support to those affected.

Once again, I would like to express my sincere appreciation for the hard work and tireless commitment shown by all Children's Services staff, partners and community stakeholders. It is their expertise, dedication and compassion, day-in and day-out, that make our accomplishments possible. Together, we will continue to make a positive difference in the lives of children, youth and families in Alberta.

  
Maria David-Evans  
Deputy Minister

# Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Children's Services 2006-07 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance information in the annual report. I verified:

## Performance measures

### COMPLETENESS

1. Performance measures and targets matched those included in Budget 2006. Actual results are presented for all performance measures.

### RELIABILITY

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.
3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

### COMPARABILITY AND UNDERSTANDABILITY

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

## Supplemental measures

5. Information in reports matched information that the Ministry used to calculate the actual results.

I found an exception for the measure *Percentage of adults staying at government funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse*. I found inconsistencies in the processes to compile survey data for the measure. Therefore, I was not able to conclude that the results presented were reliable and comparable (procedures 3 and 4). Management has explained in the Results Analysis section under goal 2 that the data reported for this measure is incomplete and that procedures to compile data are being improved.

As my examination was limited to procedures 1 to 5 above, I do not express an opinion on whether the set of performance measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

FCA   
Auditor General



Edmonton, Alberta  
August 17, 2007

## Discussion and Analysis of Results

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The following section outlines the core businesses, goals, strategies and desired outcomes of the Ministry over the past year, along with a measurement of the Ministry's performance for the past year.

In the 2006-09 Ministry Business Plan, the following measures were targeted for implementation and reporting in 2007-08 and therefore, when appropriate, are reported in the Results Analysis section of this annual report as supplemental information:

### **CORE BUSINESS ONE: GOAL 1**

- Percentage of licensed day care centres and contracted family day homes that are accredited
- Percentage of families accessing Family Support for Children with Disabilities program that indicate the services provided had a positive impact on their child

### **CORE BUSINESS TWO: GOAL 3**

- Number of children in the permanent care of the Director who are adopted
- Number of children in the permanent care of the Director for whom Private Guardianship Orders are granted

### **CORE BUSINESS THREE: GOAL 4**

- Percentage of Aboriginal children in foster or kinship care who are placed with Aboriginal families

# Core Business One

Promoting the development  
and well-being of children,  
youth and families

GOAL 1:

## Children and youth will have a healthy start in life and the supports they need to reach their potential

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### Strategies

- Lead the implementation of the Strategy for the Prevention of Family Violence and Bullying action plan to support individuals, families, communities and governments to work together towards an Alberta free of family violence and bullying.
- Implement a bullying prevention initiative in response to the Alberta Roundtable on Family Violence and Bullying.
- Support quality child care by enhancing the Child Care Accreditation Program to provide additional funding for staffing supports and quality improvements.
- Work with municipalities to enhance training standards for child care professionals providing out-of-school care and to develop a seamless continuum of program supports for families requiring before and after-school care.
- Enhance cross-sector capacity to respond to the needs of children and youth with special and complex needs and their families by improving co-ordination and access to services and supports.
- Continue to support youth in transition (ages 13 to 22) by enhancing access to mentoring opportunities through co-ordination of services and supports to youth.
- In collaboration with other ministries and government agencies, develop guidelines and resources to implement prevention strategies aimed at preventing Fetal Alcohol Spectrum Disorder and substance abuse.
- Work with municipalities and Métis Settlements to strengthen the capacity of Family and Community Support Services programs to promote, design, integrate, deliver and assess outcomes of services delivered to children, youth and families, mandated under legislation.
- Introduce a continuous improvement process for ongoing implementation of the Family Support for Children with Disabilities legislation.
- Implement strategies based on stakeholder input to ensure that families of children with disabilities are provided information about supports and services available to them and their children.
- Enhance child care that helps parents and families give their children the best possible start in life, including overcoming circumstances that put them at risk, and give their children the support they need to reach their potential.

## Accomplishments

- Hosted an International Policy Forum with almost 100 international and national experts in family violence and bullying to address key themes from the 2005 World Conference on Prevention of Family Violence.
- Established a provincial 24-hour, seven-days-a-week bullying helpline (1-888-456-2323) for anyone seeking information about, or support for, dealing with bullying and created new resources, including a website designed by youth for youth. Trained the Alberta Prevention of Bullying Youth Committee to provide prevention and intervention workshops.
- Launched an award-winning media campaign to create awareness and prevent family violence and bullying.
- Accredited 76 new child care programs bringing the total to 167. Accreditation is a voluntary process to raise the standard of child care in the province and improve effective practices in early learning and child care services. Thirty-one per cent of Alberta's eligible programs are accredited, while another 353 programs are working toward accreditation.
- Increased incentives for child care professionals to enter and stay in the field by providing \$2 million to top up child care staff wages. In addition, provided \$1.5 million to the Alberta Child Care Network to administer a new Children's Services Child Care Bursary. Enhanced child care by recognizing eight child care professionals through the Alberta Child Care Professional Awards of Excellence. The award winners are outstanding professionals who help ensure the health, safety and well-being of children in Alberta's day care centres, family day homes, nursery schools and out-of-school care programs.
- Consulted with child care operators throughout the province about creating child care spaces. The consultation resulted in *What We Heard*, a report showing that creating spaces depends on recruiting and retaining qualified staff.
- Introduced a Child Care Quality Assurance Framework, which established program and service delivery standards for CFSAs to support quality child care, consistent monitoring practices, and accountability for the grant payments made under the Alberta Child Care Accreditation Funding Program.
- Developed a new *Child Care Licensing Act*, which was passed by the Legislative Assembly in the spring of 2007. The new Act provides a modern, flexible framework for licensing child care programs and promotes the creation of new child care programs.
- Published *Choosing Quality Child Care: A Guide to Licensed and Approved Child Care in Alberta*, a guide which informs parents of the range of child care options in Alberta and what to look for in a program.
- Reviewed the FCSS program, then provided \$1.2 million to the FCSS Association of Alberta to increase participation in *Making a Difference*, the FCSS outcome measurement system, and address recommendations from the review. Increased municipality and Métis Settlement participation in *Making a Difference*. One hundred and seventy-five FCSS programs now have database accounts with the Canadian Outcomes and Research Institute, and a further 68 programs have received outcome measurement and database training. In addition, provided \$1 million to the association to establish and administer a Children's Services Leadership Bursary for executive directors and program co-ordinators in FCSS programs and Parent Link Centres.

- Reviewed the Women's Emergency Shelter program. The review considered input from more than 200 stakeholders and looked for ways to build on strengths and address the challenges facing Alberta's women's emergency shelters. Provided three per cent salary increases to contracted shelter workers and provided funding to support the development and administration of educational bursaries for senior staff in women's shelters and family violence prevention programs.
- Supported youth in transition by providing the Advancing Futures Bursary program to help youth who are, or have been, in care to obtain high school equivalency, earn a post-secondary degree or diploma, learn a trade or earn a licence or certificate. In 2006-07, 403 youths received bursaries.
- Developed standards to ensure the delivery of FSCD services is consistent with FSCD legislation.
- Amended FSCD regulations to promote consistency and improve transparency in decisions around medical benefits for children with disabilities and to provide additional respite options for families, particularly those living in rural communities.
- Developed a funding framework for children and youth with special and complex needs and began evaluating and reviewing FSCD funding for those children and youth.
- Developed and delivered core training for FSCD staff to reinforce the principles and premises underlying the FSCD legislation.
- Continued to meet with the FSCD Provincial Stakeholder Advisory Committee and the Provincial Parent Advisory Committee to identify issues, explore resolution options and gather feedback on policy and practice issues.
- Increased access to multidisciplinary teams and specialized services for children with severe disabilities, particularly those living in rural communities through the use of video conferencing technology and community partnerships. Across the province, families accessing multidisciplinary teams and reviews now benefit from improved efficiency and consistency.
- Promoted awareness of supports and services for families of children with disabilities through Parent Link Centres, FCSS, community health centres, medicentres and pediatrician offices and the toll-free Child Disability Resource Link.

### CHILD AND FAMILY SERVICES AUTHORITIES HIGHLIGHTS

The Ministry works closely with the 10 CFSAs to achieve our mission and mandate. The following are examples of accomplishments by CFSAs in support of Goal 1:

- The East Central Alberta CDSA sponsored a successful Early Learning and Child Care Conference in Lloydminster in February 2007. Participants representing 55 agencies heard presentations, shared best practices and strategized on shared issues. The agencies included: day care centres; family day homes; home visitation programs; Parent Link Centres; Family and Community Support Services; foster and adoptive parents; and Saskatchewan Community Resources.

- The Southwest Alberta CFSA undertook two projects in partnership with Chinook Health Regional Health Authority (RHA) in 2006–07. In one project, a co-ordinator was hired and a panel of professionals was established to support a multidisciplinary approach to service delivery for children with disabilities. In the second project, training modules to build capacity in the region around supports for children with Autism Spectrum Disorder were developed. Benefits include improved understanding of disabilities and approaches to interventions, as well as a stronger working relationship between the CFSA and health authority staff.

## Outcomes and Performance Measures

### Expected Outcomes

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy
- Children and youth meet individual developmental milestones

### PERFORMANCE MEASURE: 1A

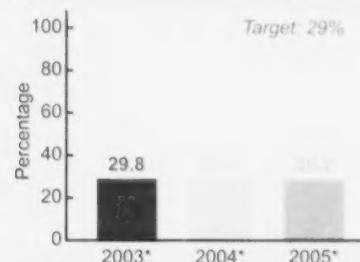
*Percentage of expenditures in the children/youth project and service category of Family and Community Support Services*

The Ministry, participating municipalities and Métis Settlements jointly fund preventive social programs through FCSS. These projects and services provide a strong network of support to assist Alberta's children and families before they need crisis intervention. The result represents expenditures of \$27.4 million in the children/youth category in 2005. Expenditures reported in all FCSS projects and service categories totalled \$93.8 million (Children's Services contributed \$61.2 million, and municipalities and Métis Settlements contributed \$32.6 million).

The projects and services category for children and youth received 29.2 per cent of the expenditures (Section 2, Category A, of the Annual FCSS Program Report). The 2006-07 result is based on the 2005 Overview Report, as highlighted in the graph below. This result met the 2006-07 target of 29 per cent.

Local autonomy is a key FCSS program principle. Since each participating municipality or Métis Settlement determines how its funding is best allocated to serve community needs, some fluctuation in meeting the projected target is expected.

Percentage of expenditures in the children/youth project and service category of Family and Community Support Services (1A)



\* Data for this measure is collected by calendar year (i.e. 2005) and is formally reported the next fiscal year (2006-07).

Data Source:  
Annual FCSS Program Reports  
Alberta Children's Services

### SUPPLEMENTAL PERFORMANCE MEASURE: 1B

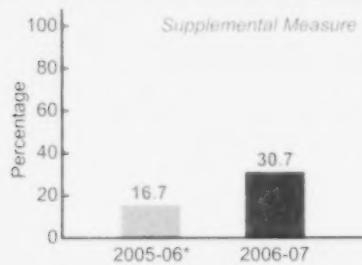
*Percentage of licensed day care centres and contracted family day home agencies that are accredited*

Accreditation is voluntary. Programs that have successfully gone through accreditation:

- support children's optimal development;
- provide practitioners with the tools they need to support and maintain high-quality services; and
- provide families with the information they need to select high-quality care for their children.

In 2006-07, 30.7 per cent of licensed day care centres and contracted family day home agencies (167 out of 544) met the child care standards of excellence and were officially accredited. This was an increase of 14 per cent over 2005-06 results.

Percentage of licensed day care centres and contracted family day home agencies that are accredited (1B)



\* Results restated due to a change in methodology

Data Source:  
Child Care Information System (CCIS), Alberta Children's Services; and,  
accreditation certificates from the Alberta Association for Accreditation of  
Early Learning and Care Services

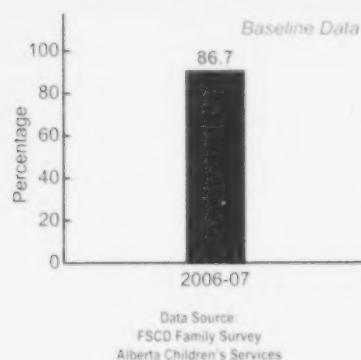
### SUPPLEMENTAL PERFORMANCE MEASURE: 1C

#### *Percentage of families accessing Family Support for Children with Disabilities programs that indicate positive impacts*

In 2006, the Ministry conducted an initial survey with families of children receiving services through the FSCD program to determine their level of satisfaction with the program and the degree to which they felt it was having a positive impact on the children and families served. Out of the families surveyed, 86.7 per cent agreed involvement with the FSCD program had a positive impact on their child.

This biennial survey helps the Ministry determine where improvements can be made to services for families of children with disabilities and provides an indicator of performance for the program both provincially and regionally.

Percentage of families accessing Family Support for Children with Disabilities programs that indicate positive impacts (1C)





# Core Business Two

Keeping children, youth and  
families safe and protected

## GOAL 2:

# Families will be safe, healthy, and able to promote children's development

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## Strategies

- Implement and strengthen the co-ordinated provincial response to family violence and bullying with culturally sensitive and accessible community-based services and supports to increase the safety and healthy development of children and families in family violence and bullying situations, including emergency shelter for victims of family violence.
- Implement the government approved amendments to the *Protection Against Family Violence Act*.
- Work with other ministries and community partners to develop a seamless continuum of supports to help preserve families and their ability to nurture their children's well-being and development through initiatives such as the Community Partnership Enhancement Initiative.
- With other ministries and government agencies, collaborate to improve supports for children, youth and families impacted by substance abuse, including those affected by Fetal Alcohol Spectrum Disorder.

## Accomplishments

- Introduced changes to the *Protection Against Family Violence Act*, which now adds stalking to the definition of family violence and better protects vulnerable people, such as seniors.
- Developed policies, standards and processes to implement the new, more comprehensive *Protection Against Family Violence Act* and provided orientation on the new legislation to child intervention staff, police, judges, justices of the peace and community agencies.
- Advanced an Alberta Relationship Threat Assessment and Management Initiative, in conjunction with Alberta Justice and Alberta Solicitor General and Public Security, to reduce injuries and deaths from family violence.
- Informed Albertans of the serious issue of family violence through public awareness and education initiatives. These included a new provincial family violence information line and an award-winning campaign, *End the silence. Stop the violence*, which asked friends and neighbours to reach out and help someone experiencing family violence.
- Provided operational funding to 31 women's shelters and second stage housing projects, and created agreements with three First Nations for women's shelter programs.
- Pledged \$600,000 in annual funding for Calgary's HomeFront, a unique partnership between community agencies and the criminal justice system. HomeFront brings together victim support workers, treatment providers, judges, police, crown prosecutors and probation officers to work with families struggling with domestic violence.
- Worked with CFSAs and about 200 FCSS programs, through the Community Partnership Enhancement Initiative, to strengthen joint program planning processes, outreach services, community mapping projects, joint training, professional development activities and service awareness processes.

- Established a Women's Shelter Leadership Bursary to support the professional development of senior staff working in family violence prevention programs and women's shelters. The bursary will help with the recruitment, retention and development of staff who provide tremendous leadership in preventing family violence.
- Hosted the annual Alberta FASD conference, *Promising Practices, Promising Futures*, with over 800 participants including health and human services workers who provide FASD services, community stakeholders, individuals with FASD and caregivers.
- Delivered FASD programs and services, including 12 FASD prevention and intervention demonstration projects.

### CHILD AND FAMILY SERVICES AUTHORITIES HIGHLIGHTS

The Ministry works closely with the 10 CFSAs to achieve our mission and mandate.

The following are examples of accomplishments by CFSAs in support of Goal 2:

- In the Northwest Alberta CDSA, the Grande Prairie and Area Family Violence Prevention Network, a coalition of 28 community partners, developed a Family Violence Intervention Unit, the first of its kind in Canada. This unit, which is staffed by professional staff from the CDSA, RCMP and Victims Assistance Services, provides full support to victims of family violence and has now been expanded to include an additional unit for the town of High Prairie and surrounding area.
- To increase awareness and prevention of family violence and bullying, the Central Alberta CDSA, in partnership with the Domestic Relationship Violence Initiative Committee (DRVIC), hosted "Home Sweet Home?" at the Red Deer and District Community Museum. In conjunction with family violence month, this display focused on bringing the issue of family violence from the confines of the home to the public sphere where shared responsibility for responding to family violence can be discussed.

## Outcomes and Performance Measures

### Expected Outcomes

- Children, youth and families overcome at-risk circumstances
- Children, youth and families are safe, healthy, resilient and self-reliant

### PERFORMANCE MEASURE: 2A

*Percentage of adults staying at government-funded women's emergency shelters who report they are better able to keep themselves and the children under their care safer from abuse*

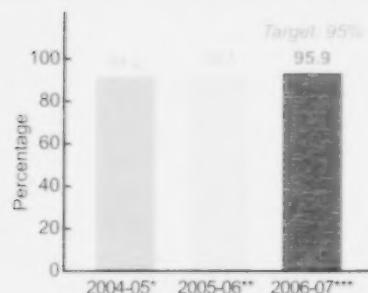
This measure is based on a women's emergency shelter exit survey conducted between April 1, 2006, and March 31, 2007. The Ministry funds women's emergency shelters, providing temporary safe places and services to help families become safe, healthy and self-reliant. Women who stayed at shelters, alone or with dependants, took part in an exit survey to measure how much these services have increased their ability to keep themselves and the children in their care safer from abuse. Thirty-one government-funded women's shelters are included in the measure. No shelters were excluded. Aggregate data were pulled from quarterly reports on the Children's Services women's shelter information system.

Of the respondents who provided a valid response, 95.9 per cent strongly agreed or agreed with the statement: "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse." The 2006-07 result exceeded the set target of 95 per cent.

In 2006-07, more than one version of the survey questionnaire was distributed by the shelters, which resulted in some responses being excluded from the calculation. The Ministry will work with shelters to ensure that a consistent version of the questionnaire will be used for future years and further training will be provided to shelter staff in the collections and data entry of surveys.

This measure shows that short-term shelter stays and access to information and specialized shelter services increase women's ability to keep themselves and their children safer. Women must, however, rely on several system responses to move beyond violence and abuse. Legal, police, financial and community-based support resources all provide opportunities for positive long-term outcomes for victims of family violence. Collaboration within and co-ordination across these other system responses is vital to supporting individuals and families affected by family violence.

Percentage of adults staying at government-funded women's emergency shelters who report they are better able to keep themselves and the children under their care safer from abuse (2A)



\*Representing 18 of 28 government-funded women's emergency shelters

\*\*Representing 23 of 28 government-funded women's emergency shelters

\*\*\*Representing all of the government-funded women's emergency shelters (31)

Some valid surveys may have been excluded in this calculation.

as different versions of the survey were used by shelters in 2006-07.

Data Source: Women's Emergency Shelter Outcome Exit Survey Alberta Children's Services

## PERFORMANCE MEASURE: 2B

*Percentage of families accessing Ministry programs that indicate positive impacts for their children*

One key outcome indicator for how programs and services are performing involves feedback from the users of those programs and services. This measure involves client surveys of key Ministry programs. Clients provide feedback on their satisfaction with services received and their perception of the program's impact on their family.

Data for this measure come from biennial client surveys in three program areas: foster care, adoption and child care subsidy. Results are based on a question included in each of the three program surveys. Each result reported is the sum of the responses "strongly agree" and "agree" to the survey question. The target for foster care and adoption survey results was 85 per cent; for child care subsidy, it was 95 per cent.

**(1) FOSTER CARE PROGRAM**

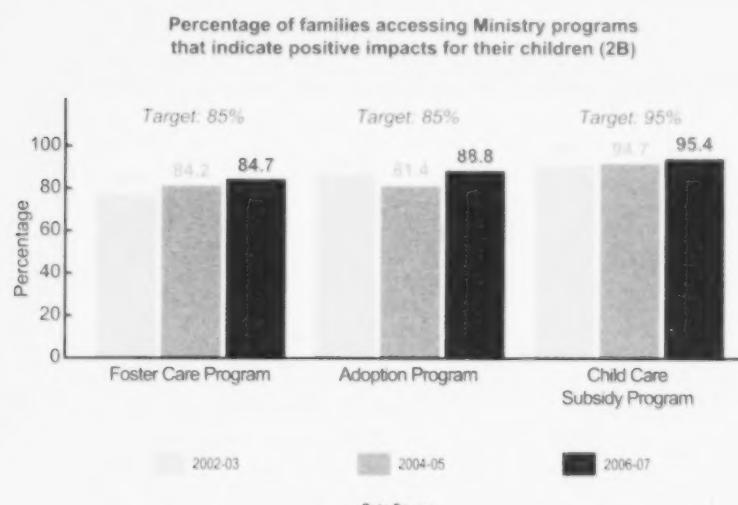
The result reported is in response to the question: "The services provided to you by the foster care program have had a positive impact on your foster child." Results from the 2006-07 survey revealed that 84.7 per cent of respondents agreed their foster child was positively impacted by the Foster Care program and related services. This is an increase over both the 2004-05 survey result (84.2 per cent) and the 2002-03 survey result (79.0 per cent). The current result was 0.3 per cent below the 2006-07 target of 85 per cent.

**(2) ADOPTION PROGRAM**

The result reported is in response to the question: "Overall, would you agree that the services provided to you by the adoption program have had a positive impact on your adopted child or the child placed in your care?" Current results reveal that 88.8 per cent of clients who had an adopted child in their care agreed that the child had been positively impacted by Adoption program services. This result is higher than the 2004-05 survey result of 81.4 per cent as well as the 2002-03 result of 86.1 per cent. In addition, the 2006-07 performance target of 85 per cent was exceeded.

**(3) CHILD CARE SUBSIDY PROGRAM**

The result reported is in response to the question: "Please indicate your degree of agreement with the following statement: The child care subsidy program has had a positive impact on my child/children." Results from the 2006-07 survey indicate that 95.4 per cent of respondents agreed the child care subsidy program had a positive impact on their child. This represents an increase from the previous survey period in 2004-05 (94.7 per cent) as well as in reference to the 2002-03 survey result (94.0 per cent). The 2006-07 target of 95 per cent was exceeded.



GOAL 3:

Children in need will be protected and supported  
by permanent, nurturing relationships

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Strategies

- Introduce the new *Drug-endangered Children Act*.
- Continue to implement the new *Child, Youth and Family Enhancement Act* by developing a leading practice framework which will support the caseworker's ability to improve the safety and well-being of children, involve families and children in decision-making, assure quality services to promote children's development, shorten the time children spend in government care and unite children with their families or place them in other permanent, nurturing homes.
- Continue to develop and maintain quality assurance mechanisms including the Appeal Secretariat and the Social Care Facilities Review Committee.
- Continue to develop and implement processes to appoint lawyers to represent children and youth in matters under the *Child, Youth and Family Enhancement Act* and work with partners to develop processes to provide children and youth with legal representation in high conflict custody and access cases.
- Continue to refine and implement prevention and treatment strategies for high-risk youth and youth involved in prostitution and work with stakeholders to develop and enhance programs to prevent the sexual exploitation of children and youth through prostitution, Internet luring and child pornography.
- Undertake a review of the *Social Care Facilities Licensing Act* to promote quality of care in social care facilities.
- Improve access to Advancing Futures Bursary program to help increase the educational attainment of youth in care.

Accomplishments

- Implemented the new *Drug-endangered Children Act*, the first Canadian law to identify that children exposed to serious drug activity, such as manufacturing and trafficking, are victims of abuse and need protection. Children exposed to serious drug activity are at increased risk for physical, emotional and sexual abuse, as well as chronic respiratory disorders, neurological damage and cancer. Under the new law, child intervention caseworkers and police can intervene to protect children solely because these children are drug-endangered. The new legislation should raise awareness of these children's plight and increase reporting of this type of child abuse. In 2006-07, 25 children were apprehended under the Act.
- Developed and delivered training to caseworkers, regional health authority staff and Alberta Justice officials across the province. The training guides caseworkers, health care workers and police and gives them the authority to take immediate action to protect drug-endangered children.

- Developed a Casework Practice Model that better meets the requirements of the *Child, Youth and Family Enhancement Act* and will make services to children and families more consistent and strength-based. The model builds on existing leading practices, gives children, youth and families more input into decisions and helps caseworkers create appropriate solutions and build relationships with families. Created policies, guidelines and training to support the implementation of the model in 13 CFSA and DFNA champion sites, which will help develop and design information systems and evaluation data to shape the provincial roll-out.
- Established a bursary fund to provide financial assistance to senior leadership staff in agencies contracted by the provincial government to provide social services. The Alberta Association of Services for Children and Families will administer the bursary, which will help senior staff continue their education and enhance their leadership ability.
- Visited, through the Social Care Facilities Review Committee, 225 facilities throughout the province to measure client satisfaction with social care facility services.
- Heard, through the Appeal Secretariat, 23 appeals.
- Reviewed the *Social Care Facilities Licensing Act*, which resulted in the development of a leading edge *Child Care Licensing Act*, which was passed by the Legislature on April 3, 2007.
- Implemented the Legal Representation for Children and Youth (LRCY) service, along with a communication plan to reach stakeholders across the province. On April 1, 2006, the Office of the Child and Youth Advocate assumed responsibility for appointing lawyers for children and youth for all matters under the *Child, Youth and Family Enhancement Act* and the *Protection of Children Involved in Prostitution Act*. During 2006-07, the LRCY service made 1,074 appointments and created a roster of 78 lawyers willing to represent children and youth.
- Informed by relevant research, key stakeholders and two pilot projects with high-risk youth, undertook a high-risk youth initiative, which identified actions that could lead to more positive outcomes for youth whose family circumstances, lifestyle and behaviours put them at higher than average risk for a range of problems. This work led to the development of a provincial high-risk youth strategy that will begin implementation in 2007-08. The Ministry also completed a review of the Youth Emergency Shelter Program.
- Introduced amendments to the *Protection of Children Involved in Prostitution Act* based on feedback from youth, families and service providers. These amendments will encourage youth to access services, decrease stigma and protect the identities of youth. Youth who are over 18 and in transition will also continue to receive services.
- Trained all frontline CFSA staff, as well as agencies and other stakeholders, about the *Protection of Children Involved in Prostitution Act* and how to recognize and respond to child sexual exploitation.
- Building on the success of the online interactive S-Team Heroes game, launched two highly successful public education and awareness campaigns, in response to increased risks of child and youth sexual exploitation over the Internet. Both sites combined have received nearly 600,000 hits since they were launched:
  - [www.weron2u.ca](http://www.weron2u.ca), a teen education website includes safety tips, true stories and information on predator tactics; and
  - [www.badguypatrol.ca](http://www.badguypatrol.ca), an interactive website launched in partnership with Microsoft Canada educates children five to 10 about safe Internet use.
- Collaborated with federal, provincial and territorial partners to share information and identify issues and trends in international trafficking and commercial child sexual exploitation.

- Increased Advancing Futures Bursary funding by nearly \$900,000, raising the 2006-07 bursary budget to over \$4 million, and promoted the program to increase the number of youth accessing it. In 2006-07, 403 youth received bursaries. Established in 2003, the Advancing Futures Bursary provides financial support to youth who are, or have been, in government care. The bursary helps these youth obtain high school equivalency, earn a post-secondary degree or diploma, learn a trade or earn a licence or certificate. Bursaries help cover the costs of tuition, books, supplies and living expenses. A total of 636 youth have received bursaries and 106 have graduated since the program was established.

### CHILD AND FAMILY SERVICES AUTHORITIES HIGHLIGHTS

The Ministry works closely with the 10 CFSAs to achieve our mission and mandate. The following are examples of accomplishments by CFSAs in support of Goal 3:

- The Southeast Alberta CDSA staff worked with service providers to establish an outcome measurement model with the intent of measuring positive results for children, youth and families in local communities. A Service Providers Subcommittee developed a measurement tool that will be used by contracted service providers to measure and report their program skill development, client satisfaction, early detection and community capacity activities to the CDSA in April 2008.
- The Calgary and Area CDSA provided high-intensity 'wrap-around' services for high-risk youth through a multi-risk youth pilot program. Program partners, which included the Alberta Alcohol and Drug Abuse Commission (AADAC), Calgary Health Region, Calgary Family and Community Services, United Way, Alberta Youth in Care Network, Enviro's Wilderness School Association and McMan Youth, offered a small group of adolescents engaged in dangerous and potentially self-destructive behaviours the community services and informal supports they needed to achieve positive outcomes and return home safely to their families.

## Outcomes and Performance Measures

### Expected Outcomes:

- Children and youth in need are protected from further abuse and neglect
- Children and youth in care are placed in secure and stable environments that allow for the development of life-long relationships and connection to family, culture and community

### PERFORMANCE MEASURE: 3A

*Percentage of children who suffer injury that results in hospitalization or death while receiving protective services*

This measure describes the proportion of children<sup>5</sup> receiving child protective services who experience an injury that results in hospitalization<sup>6</sup> or in death, regardless of the type of injury (for example, accidental or self-inflicted injuries). Children receiving child protective services may be in the care of their parents or the Director.

5 Children referred to in this measure are zero to 17 years of age.

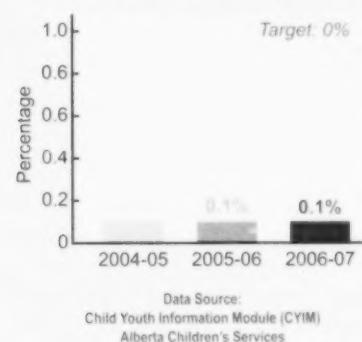
6 Hospitalization refers to a child receiving medical intervention that required an overnight stay in a hospital.

In 2006-07, 0.1 per cent of children in the care of the Director (12 children<sup>7</sup>) suffered an injury that resulted in hospitalization or death while receiving protective services. Three of the 12 children died as a result of their injuries. In one tragic incident, a youth was struck by a train, and in another, a child accidentally suffocated. In the third heart-breaking incident, a child died as a result of head injuries, allegedly as a result of an assault by a caregiver. This matter is before the courts. The incidents of children and youth requiring hospitalization as a result of injuries, included: a bicycle accident; a farm accident; four falls causing injuries; an accidental drug overdose; an error in a gastrostomy tube feeding of a medically fragile child at school; and an injury caused by a caregiver.

Many injuries are predictable and preventable. For this reason, the Ministry has set the target for this measure at zero per cent. In Canada, injury is the leading cause of death and hospitalization for children<sup>8</sup>. Fifty thousand children in Canada are injured every year in bicycle-related mishaps. Farm injuries are also a recognized contributor to Canadian child injury rates. While farm life has many positive benefits, the farm environment has injury risks for children<sup>9</sup>.

The Ministry continues to take action to improve results for this measure. Recommendations from each special case review, conducted as a result of a serious injury or death of a child in government care, are implemented as changes to policy and/or practice. The Ministry has also added a training curriculum for foster parents and caseworkers for suicide and injury prevention strategies.

Percentage of children who suffer injury that results in hospitalization or death while receiving protective services (3A)



Of these 12 children, six were Aboriginal. Circumstances are reported for these children in performance measure 4A.

Health Canada. Safety and Injuries. [www.hc-sc.gc.ca](http://www.hc-sc.gc.ca)

Centre for Injury Control and Research. [www.acic.ualberta.ca](http://www.acic.ualberta.ca)

**PERFORMANCE MEASURE: 3B**

*Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment*

This measure describes the proportion of children who were reported to have experienced another incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment. Maltreatment involves a wide range of situations, from when parents are unable, for any reason, to provide the necessities of life to incidents of physical abuse and emotional injury, including exposure to domestic violence. For the purposes of this measure, the new incident of maltreatment does not have to be related to the concern in the original incident of maltreatment, although it may be. In 2006-07, 25.1 per cent of children who had experienced an incident of maltreatment had experienced a previous incident within the 12 months prior. In some situations, this may include families that request additional assistance from the Ministry. This result is slightly higher than the result for 2005-06.

A number of factors contributed to this result. For example, enhancements to the *Child, Youth and Family Enhancement Act* and a public awareness campaign increased emphasis on reporting and intervening to protect children from domestic violence. This is noted in the increased number of children identified as emotionally abused as the reported nature of the maltreatment. In addition, studies have suggested that there is a trend toward increased reporting of emotional maltreatment and exposure to domestic violence as jurisdictions across Canada have increased their recognition of this issue in policy and legislation<sup>10</sup>.

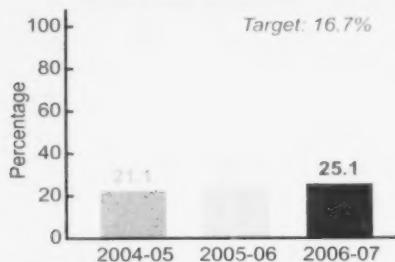
The changing demographics of the Alberta population also affected these results. Alberta's prosperity has attracted many families from other provinces in Canada as well as from other countries. Population growth in Alberta is almost three times higher than the national average. In 2006, there was an increase of over 98,000 residents due to inter-provincial migration, international migration and natural increases. Of the population increase, 58.2 per cent or 57,100 residents came to Alberta from other provinces<sup>11</sup>. In moving to Alberta, these families may leave behind their natural support systems, including extended family and friends, and more frequently request or require the supports and services the Ministry provides.

When appropriate, the Ministry responds to reported concerns with family enhancement services which are aimed at providing short-term intensive supports to children and families. The purpose of enhancement services is to support and strengthen families to assist them in addressing issues or concerns before they become high risk. One of the positive outcomes of strengthening families is that they become aware of when they need assistance or support and are able to ask for it. Families are encouraged to re-engage with us if they need more help with an issue or if they face new challenges.

<sup>10</sup> Canadian Incidence Study of Reported Child Abuse and Neglect, Alberta, 2003.

<sup>11</sup> The Daily, Statistics Canada, September 27, 2006.

Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of maltreatment (3B)



\* Data for this measure is collected by calendar year (i.e. 2005) and is formally reported the next fiscal year (2006-07).

Data Source:  
Child Youth Information Module (CYIM)  
Alberta Children's Services

#### SUPPLEMENTAL PERFORMANCE MEASURE: 3C

*Number of children in the permanent<sup>12</sup> care of the Director who are adopted and*

**AND**

#### SUPPLEMENTAL PERFORMANCE MEASURE: 3D

*Number of children in the permanent<sup>13</sup> care of the Director for whom Private Guardianship Orders are granted*

All children have the right to a loving and nurturing home and the right to belong to a family. The *Child, Youth and Family Enhancement Act* places emphasis on securing permanency for children who are not able to return to their parent's care by encouraging early planning for adoption or private guardianship.

Supporting, engaging and building capacity in families to address their issues and needs is a focus of intervention services. There are, however, those situations where it becomes necessary to permanently remove the children from their natural family in order to ensure they are safe and protected. Although reunification with the natural family is always the desired outcome, there are circumstances that prevent this from occurring for some children.

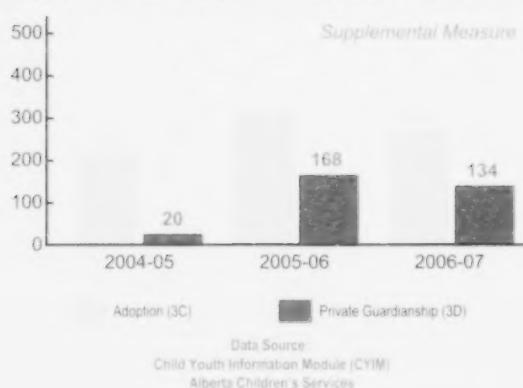
The philosophy of Children's Services is that every child should have a permanent family and, where that is not with the natural family, alternative permanent familial homes are sought. The performance measure is an indicator of the Ministry's ability to place children, who are in the permanent care of the Director, into stable, long-term, adoptive or private guardianship homes. The permanency plan and placement will vary depending upon the age and needs of a child.

<sup>12</sup> Permanent care refers to children in the following legal authorities under the *Child, Youth and Family Enhancement Act*:

- Permanent Guardianship Orders
- Permanent Guardianship Agreements

In 2006-07, 268 children were placed for adoption and 134 private guardianship orders were granted for children in the permanent care of the Director. The change in legislation and the supports for permanency program resulted initially in a significant increase in the number of adoptions orders in 2005-06, as well as an increase in private guardianship orders. The number has now stabilized, and with the exception of a spike in 2005-06, the annual increase in the number of adoptions has been approximately 10 per cent per year. With the changes to the supports for permanency program, there was a focus on ensuring the families that are currently providing a permanent familial home to children were receiving supports and services to ensure that permanency is maintained and supported.

Number of children in the permanent care of the Director who are adopted (3C) & Number of children in the permanent care of the Director for whom Private Guardianships Orders are granted (3D)



# Core Business Three

Promoting healthy communities  
for children, youth and families

## GOAL 4:

The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted, supported and comparable to that of other Albertans

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### Strategies

- Continue to improve the quality of services and address service gaps to meet the needs of Aboriginal children, youth and families.
- Continue to work with DFNAs to support them in their negotiations with the federal government regarding delivery of services under the new *Child, Youth and Family Enhancement Act* that are equitable to all Albertans.
- Continue the joint table meetings with CFSAs and DFNAs to address common and ongoing issues related to meeting the needs of Aboriginal children, youth and families.
- Increase permanency-planning options with First Nations and Métis communities.

### Accomplishments

- Promoted and supported key working relationships and collaborative partnerships with the Ministry, CFSAs and DFNAs to improve outcomes for Aboriginal children and youth. Completed annual file reviews for 18 DFNAs and helped develop work plans to address gaps and improve intervention services for Aboriginal children.
- Developed joint strategies and began implementing a provincial action plan on Métis people's participation and involvement in programs, policies and standards that affect Métis children in collaboration with the Métis Nation of Alberta.
- Negotiated *Child, Youth and Family Enhancement Act* agreements to support First Nations communities as they govern, deliver and evaluate child intervention and permanency planning services for Aboriginal children and youth.
- Worked in partnership with DFNAs and Indian and Northern Affairs Canada to develop a family enhancement initiative that will increase DFNA funding for prevention and early intervention services on reserves.
- Co-ordinated and facilitated regular meetings with DFNAs and CFSAs to improve working relationships and discuss program delivery partnerships, which meet the needs of First Nations children and families. Encouraged and involved DFNAs in the Provincial Enhancement Table and collaborated with the Métis Nation of Alberta to develop and implement a provincial action plan to address permanency needs of Métis children and youth.
- Strengthened working relationships and facilitated partnerships among DFNAs, CFSAs and the Métis Nation of Alberta to explore permanency planning options for First Nations and Métis children and youth.

- Achieved unanimous support from CFSA CEOs and DFNA directors to develop collaborative strategies and implement actions from the *Permanency Planning for Aboriginal Children Report* to increase the number of Aboriginal children placed in permanent, nurturing and culturally appropriate homes. These actions will include:
  - Conducting a review of every Aboriginal child in permanent care;
  - Developing a cultural plan for every Aboriginal child who is in or comes into care;
  - Establishing a mandatory requirement for early identification of home communities for Aboriginal children;
  - Ensuring that each CFSA has access to an Aboriginal specialist to provide assistance, training and support to caseworkers;
  - Establishing a Provincial Service Quality Committee, which includes Elders, to discuss and resolve issues regarding Aboriginal children in permanent care;
  - Increasing cultural training for staff and caregivers;
  - Establishing clearly articulated and broadly understood processes for meaningful involvement of the Aboriginal community;
  - Adopting a Family Case Conferencing Model to effectively engage families in planning for Aboriginal children;
  - Expanding the use of video conferencing to all DFNA to facilitate family, extended family and band designate involvement in planning for Aboriginal children;
  - Establishing tools and supports targeted at recruiting Aboriginal foster parents, adoptive parents and private guardians; and
  - Supporting the expansion of initiatives such as the Custom Adoption and Elder programs.
- Placed 664 Aboriginal children either temporarily or permanently in kinship care homes and 79 Aboriginal children in adoptive homes, as of March 31, 2007. There were 112 Private Guardianship Orders granted for Aboriginal children.
- Used video conferencing to increase the involvement of DFNA in case planning for Aboriginal children.

### CHILD AND FAMILY SERVICES AUTHORITIES HIGHLIGHTS

The Ministry works closely with the 10 CFSAs to achieve our mission and mandate. The following are examples of accomplishments by CFSAs in support of Goal 4:

- The Edmonton and Area CFSA held an Aboriginal forum in March 2007, which included Aboriginal service providers, Elders, provincial and federal agencies and FSCD program staff. The focus of the forum was to discuss the barriers to Aboriginal families accessing FSCD supports and services and to develop strategies to increase their ability to access FSCD supports. As a first step, the region developed and circulated a comprehensive list of services available to Aboriginal children with disabilities and their families, both at the provincial and federal level.
- As a result of their permanency planning work, the Métis Settlements CFSA was able to ensure that, on average, 65 per cent of children from the settlement communities who required out of home placements were placed with extended family, reducing stress for the children involved and promoting permanency.

## Outcomes and Performance Measures

### Expected Outcomes:

- Aboriginal communities have the capacity to meet the needs of children, youth and families
- There are a reduced number of Aboriginal children represented in the child intervention caseload
- Aboriginal children, youth and families receive culturally appropriate services

### PERFORMANCE MEASURE: 4A

*Percentage of Aboriginal children who suffer injury that results in hospitalization or death while receiving protective services*

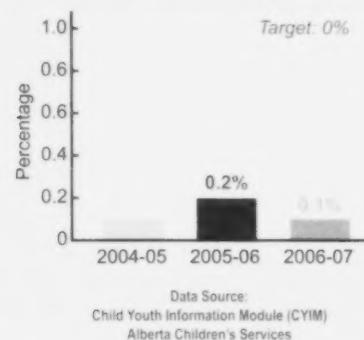
This measure describes the proportion of Aboriginal children receiving child protective services who experience an injury that results in hospitalization or death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries). Children receiving child protective services may be in the care of their parents or the Director.

In 2006-07, 0.1 per cent (six children) of Aboriginal children in the care of the Director suffered an injury that resulted in hospitalization or death while receiving protective services. The target of zero per cent was not met. These six children comprised half of the 12 children described in performance measure 3A under Goal 3. Two of these six children died. Four Aboriginal children were hospitalized for injuries. Two children were injured in falls; one was injured in a farm accident; and one was injured by a caregiver (as reported in measure 3A).

Many injuries are predictable and preventable. For this reason, the Ministry has set the target for this measure at zero per cent. The result for this measure has improved from last year's result of 0.2 per cent.

The Ministry continues to take action to improve results for this measure. Recommendations from each special case review conducted as a result of a serious injury or death of a child in the care of the Director become changes to policy or practice. The Ministry has also added a training curriculum for foster parents and caseworkers for suicide and injury prevention strategies. In addition to the actions taken by the Ministry in every situation where a child in the care of the Director is seriously injured or dies, the Ministry took specific actions to improve intervention services and outcomes for Aboriginal children, which included collaborative partnerships with DFNAs.

**Percentage of Aboriginal children who suffer injury that results in hospitalization or death while receiving protective services (4A)**



**PERFORMANCE MEASURE: 4B**

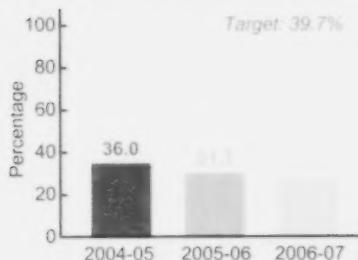
*Percentage of Aboriginal children in foster care who are placed<sup>14</sup> with Aboriginal families*

This measure addresses the proportion of Aboriginal children in foster care who are placed with an Aboriginal foster family.<sup>15</sup> The measure looks at the placement of children in foster homes that have a similar cultural background and provides one indicator of achieving the outcome "Aboriginal children, youth and families receive culturally-appropriate services."

In 2006-07, 29.3 per cent of Aboriginal children in foster care were placed with Aboriginal foster families. The target for this measure was 39.7 per cent. The target was not met. One influence on the result for this measure is a decline in the number of available Aboriginal foster homes. In addition, our success in increasing the number of kinship care placements for Aboriginal children is a contributing factor to not meeting our target for this measure (see supplemental measure 4B).

<sup>14</sup> Placement refers to the primary location (parental or extended family home, adoptive home, foster home, group home, treatment centre) in which a child or youth in need of intervention resides. Placements can range from one day to an indefinite period of time.<sup>15</sup> The Daily, Statistics Canada, September 27, 2006.

The data source used for this measure provides information on a child's racial origin. Approximately nine per cent of 2006-07 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of Aboriginal children. For this measure, an Aboriginal foster care family is determined when either the foster care home is denoted as Aboriginal or the care giver's racial origin is identified as Aboriginal in the Child Youth Information Module. For approximately 5.6 per cent of the foster homes, it is not known if the foster care family is Aboriginal or non-Aboriginal. Therefore, the percentage of Aboriginal children in foster care who are placed with Aboriginal families may actually be higher than reported. Effective March 2005, enhancements were made to the data source to better capture the racial status of foster home caregivers.

Percentage of Aboriginal children in foster care  
who are placed with Aboriginal families (4B)

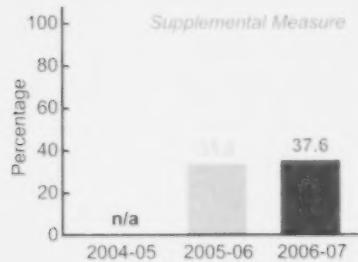
Data Source:  
Child Youth Information Module (CYIM)  
Alberta Children's Services

**SUPPLEMENTAL PERFORMANCE MEASURE: 4B**

*Percentage of Aboriginal children in foster care or kinship care who are placed<sup>16</sup> with Aboriginal families*

Approved foster care is only one resource available for children who require out-of-home placement. Depending on individual circumstances, there may be alternatives that would provide culturally appropriate placements. The placement of children in a kinship care home (with extended family members or others who have a significant relationship with the child) is often a preferred option for Aboriginal families.

To more accurately reflect the change in placement practice described above, the current performance measure, which describes the placement of Aboriginal children in Aboriginal foster homes, will be supplemented in 2007-08 to include placement of Aboriginal children in Aboriginal kinship homes. In 2006-07, 37.6 per cent of Aboriginal children were placed in an Aboriginal foster home or kinship home, which is significantly closer to the target of 39.7 per cent in measure 4B.

Percentage of Aboriginal children in foster care or  
kinship care who are placed with Aboriginal families

Data Source:  
Child Youth Information Module (CYIM)  
Alberta Children's Services

Placement refers to the primary location (parental or extended family home, adoptive home, foster home, group home, treatment centre) in which a child or youth in need of intervention resides. Placements can range from one day to an indefinite period of time.

## GOAL 5:

Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families

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### Strategies

- Continue to provide leadership to cross-ministry work that supports children and youth in becoming caring, contributing and self-reliant citizens.
- Develop and enhance the capacity of CFSA Boards to effectively govern the regional authorities.
- Collaborate with national partners, universities, other ministries, the community and the Alberta Centre for Child, Family and Community Research to promote policy relevant research and effective practices to improve outcomes for children, youth, families and communities.
- Support the continuing operations of Alberta's Promise, a public-private partnership dedicated to finding unrealized resources leading to new and better ways of working together to give children the opportunity to lead happy, healthy and successful lives.
- Support community stakeholders to develop and enhance collaborative co-ordinated responses to family violence through the Community Incentive Fund.
- Facilitate, promote and recognize youth engagement by supporting youth forums, youth networks and youth consultations.
- Support the work of the Youth Secretariat and Youth Advisory Panel to identify and address issues facing youth.

### Accomplishments

- Invested more than \$2 million to establish 10 new Parent Link Centres, bringing the total to 46 centres throughout the province. The annual funding for Alberta's 46 centres is now more than \$11 million. Each centre offers a range of services, including play-based learning activities for children and parents, workshops and seminars on parenting and early childhood development, toy-lending and resource libraries and family counselling and information about other community resources. In 2006-07, the centres helped over 13,000 parents access child development programs, learn about positive parenting strategies, form informal support networks and locate other community programs. Close to 900 people attended four parent sessions, which linked an average of 44 video conferencing sites each session.
- Launched a Virtual Parent Link Centre website at [www.parentlinkalberta.ca](http://www.parentlinkalberta.ca) to provide resources via the Internet to families who are not located near a Parent Link Centre. The website offers information about becoming a parent, choosing child care, communicating with and disciplining children and staying healthy and safe.
- Developed speech-language resource kits (Talk Boxes) for preschool and school-aged children. Speech-language pathologists from the Calgary Health and Capital Health regions designed the kits, and the Alberta Children and Youth Initiative funded the project. Distributed the resources to Parent Link Centres and 150 accredited child care centres across Alberta and online through the Parent Link Centre website.

- Developed a Memorandum of Understanding with CFSAs. This new memorandum identifies roles, responsibilities and accountabilities and guides the relationship between the Minister and the CFSAs. A successful provincial conference was held to orient new board members and provide learning opportunities for all board members. The Minister visited all CFSAs boards to discuss challenges and opportunities and to highlight their many accomplishments.
- Hosted video conferencing information sessions through the Alberta Centre for Child, Family and Community Research and included the International Policy Forum on Family Violence presentations on the research centre's website.
- Provided \$3.6 million through the Community Incentive Fund to help 95 communities take action on family violence and bullying. The fund supports local initiatives that increase awareness of family violence and bullying and helps communities address more specific issues, such as public awareness of elder abuse and supports for immigrant families. Funded projects ranged from a resource library on family violence to a summer camp for children who have experienced family violence and bullying.
- Increased partnerships with the corporate community through Alberta's Promise. Key partners include Enmax Energy Corporation, CTV Edmonton, IBM Canada Limited and McDonald's Restaurants of Canada. The overall number of partners now exceeds 1,000.
- Alberta's Promise renewed its strategic direction to provide direct advice to partners about how they can maximize their impact in creating opportunities for the next generation of Albertans. Accomplishments include the RBC Financial Services-led initiative in Lethbridge, which resulted in the first of four barrier-free city parks, and Edmonton's Inner City High where DELL, TELUS and the Edmonton Oilers Community Foundation support ongoing operations.
- Held three Youth Advisory Panel meetings with the MLA chair of the Youth Secretariat. Sixteen youth discussed issues facing Alberta's young people, provided input into the Crystal Meth Task Force, participated in the high school-leaving symposium and worked with youth facilitators to hold eight youth forums across the province to address youth issues including anti-bullying.

### CHILD AND FAMILY SERVICES AUTHORITIES HIGHLIGHTS

The Ministry works closely with the 10 CFSAs to achieve our mission and mandate. The following are examples of accomplishments by CFSAs in support of Goal 5:

- The North Central Alberta CFSA, Aspen Regional Health Authority and Child and Adolescent Services Association (CASA) collaborated to expand access to specialized children's mental health resources, including child psychiatry through the use of video conferencing technology. This approach increased access to specialized services and decreased travel time and costs for families. In 2006-07, video conferencing was used to facilitate 64 mental health/psychiatric evaluations, 28 follow-up psychiatric consultations and 27 consults with case managers and/or mental health therapists.
- A strong partnership between the Northeast Alberta CFSA and Wood Buffalo Family and Community Support Services resulted in an excellent community conference called the Wood Buffalo X-PO. Attendance at this event was higher than anticipated and delegates had the opportunity to attend a wide range of sessions designed to showcase the strengths of the region as well as highlight areas where improvements to supports and services for children, youth and families can be made.

## Outcomes and Performance Measures

### Expected Outcomes:

- Communities are responsive to issues and needs faced by children, youth and families
- Children, youth and families participate in decisions that affect them

### PERFORMANCE MEASURE: 5A

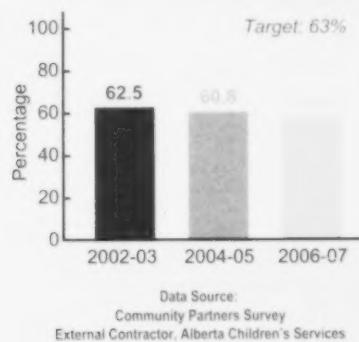
#### *Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families*

Local level community stakeholder involvement improves service delivery to children and better enables response to specific community needs. Data for this measure come from a survey of community partners. The survey is conducted every other year in co-operation with CFSAs. Community partners/stakeholders are organizations who co-ordinate with their respective CFSA in serving children, youth and families within their community or agencies. Community partners include school boards, AADAC, Alberta Justice, Alberta Health, Alberta Education, Alberta Employment Immigration and Industry, municipal government agencies, not-for-profit organizations and other community organizations.

As indicated in the chart below, 56.9 per cent of respondents agreed that there has been an increase in their community's ability to meet the needs of children, youth and families in the past 12 months. The Ministry's target was 63 per cent for 2006-07. The result for this measure in 2004-05 was 60.8 per cent and 62.5 per cent in 2002-03. Many survey respondents indicated that the community's ability to meet the needs of children, youth and families was not keeping pace with Alberta's growing population and demands for services.

The Ministry continues to build on strategies focused on increasing community capacity to serve and meet children and family needs. The 2006-07 result for this measure points to ongoing discussion and strategy building between the Ministry and community groups in the common goal of strengthening the capacity of communities to serve children and families in times of need. This is the last time this survey will be conducted. It will be replaced by a new survey in 2008-09.

Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families (5A)



**PERFORMANCE MEASURE: 5B**

*Percentage of children and youth who received family enhancement services and afterwards did not require protective services*

This measure addresses differential response as outlined in the *Child, Youth and Family Enhancement Act*. Differential response allows the provision of less disruptive family enhancement services when needs can be satisfied with short-term, solution-focused intervention and where the family is willing and feels it has the capacity to address the concerns identified. This intervention approach helps families address concerns when they are more manageable and decreases the likelihood of protective services being needed in the future.

Children who may be in need of intervention services are identified from information received from the community. Once identified, additional information is gathered and analyzed to determine the accuracy of the information, assess the current situation and plan for how best to address the concern.

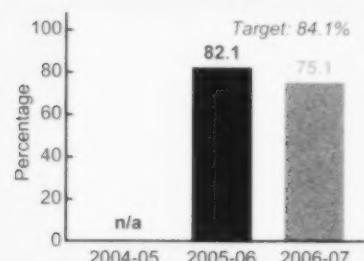
This measure reflects situations where the family enhancement services provided met the needs of the children and youth and these families did not subsequently require child protection services.

For 2006-07, 75.1 per cent of children and youth who received assistance through family enhancement services did not require child protection services within one year. Although this measure did not meet the target of 84.1 per cent and is below the result in 2005-06, a substantial number of children and youth did not become involved in protection services. The drop in the number from the previous year can be attributed to a number of factors.

The increased population in Alberta has resulted in a six per cent average increase in demand for services from the Ministry over this past year.<sup>17</sup> The intent of family enhancement services is to provide short-term intensive supports to children and families before situations become high-risk and then connect them to community-based services for ongoing supports. The demand for services and supports has increased across the province, resulting in waiting lists for community services and supports. Unfortunately, while waiting for services, some situations escalate, resulting in the need for more intrusive interventions.

While Alberta enjoys increased prosperity, it is also experiencing some related challenging social issues. Increased use of alcohol and drugs, family violence and a lack of available affordable housing puts children at risk and stress on families. It is not easy for some families to overcome these challenges and there are instances where they require more intrusive interventions to ensure the safety and well-being of their children.

**Percentage of children and youth who received family enhancement services and afterwards did not require protective services (5B)**



Data Source:  
Child Youth Information Module (CYIM)  
Alberta Children's Services

## Corporate Strategies

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- Strengthened business planning and results reporting to support decision-making and accountability by expanding the Ministry's environmental scanning capacity and developing new performance measures.
- Promoted understanding and awareness of the new Alberta Public Service vision and values through a video conference series attended by over 1,400 staff provincewide. As part of the Workplace Wellness Partnership, collaborated with four other partners to host a human resource leadership series.
- Developed a new recruitment strategy to assist the Ministry in attracting and retaining staff in a competitive labour market.
- Worked with a cross-government committee and contractors to develop Government of Alberta policy and procedures for new information technology that adheres to Canada's privacy laws and to the federal government's new Canadian Radio-television and Telecommunications Commission (CRTC) rules and guidelines.
- Continued to enhance the Ministry's capacity to respond to business disruptions and emergency situations by facilitating the development of CFSAs business continuity plans.
- Created a strategic plan to respond to critical and high profile economic and labour issues and accelerated agency wage increases to meet industry economic and labour pressures.
- Made further improvements to the Ministry's Resource Allocation Model to enhance the transparency of allocation decisions.
- Expanded the video conferencing network to 73 sites throughout Alberta, developing the capacity for CFSAs to use the tool for casework management, professional development and administration. More than 700 staff from Alberta Children's Services attended four learning workshops, again linked by the new network of video conferencing sites.
- Developed and supported information systems for a range of Ministry programs including the Advancing Futures Bursary, child intervention and family violence prevention programs to manage and streamline payments and foster learning, collaboration and information sharing.
- Negotiated bilateral and trilateral agreements with DFNAs, along with arrangements for billing protocols and procedures.
- Established a Ministry committee to determine priorities for the internal audit work of a new Business Advisory and Consultation Unit, which will enhance monitoring and risk management capacity in the Ministry.
- Developed strategies and capacity to support the Ministry's requirement for legal services. The strategies identify legal risks and respond to legal issues, legislative needs and legislative development. Implemented initiatives to protect private information and developed security and privacy principles along with policy directives and a risk assessment process. Catalogued existing privacy and security tools and best practices and began identifying future needs.

- Implemented the *Drug-endangered Children Act* and amendments to the *Protection Against Family Violence Act* and developed the *Child Care Licensing Act*.
- Addressed provincial contracting issues through a review of contract agencies and a new Contract Management and Accountability Framework. Worked with the provincial contract manager's committee, which provides a forum to address contracting issues in the regions and to provide training to contract specialists from across the province.
- Worked with department and regional managers to improve spending forecasting and to enhance management information systems and reports that support the forecasting processes.

MINISTRY OF CHILDREN'S SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year ended March 31, 2007

**Note 1 Authority**

The Minister of Children's Services has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. The Ministry consists of the organizations listed below.

<u>Organization</u>	<u>Legislation</u>
Department of Alberta Children's Services	<i>Government Organization Act</i>
10 Child and Family Services Authorities	<i>Child and Family Services Authorities Act</i>

The Ministry is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These Financial Statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**(a) Reporting Entity**

The reporting entity is the Ministry of Children's Services for which the Minister of Children's Services is accountable. The accounts of the Department and the Child and Family Services Authorities are consolidated. Revenue and expense transactions, capital and financing transactions and related assets and liability accounts between entities within the Ministry have been eliminated.

All ministries of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of ministries are deposited into the Fund and all cash disbursements made by ministries are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

**(b) Basis of Financial Reporting**

The accounts of the organizations listed in Note 1 above have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

**Revenues**

All revenues are reported on the accrual basis of accounting.

**Internal Government Transfers**

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

## Financial Analysis

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### Results of Operations

The Ministry of Children's Services managed its expenses within the 2006-07 budget of \$922.1 million. The Ministry ended the year with a surplus of \$19.3 million or 2.1 per cent of the budget. The Ministry implemented the Five-Point Child Care Investment Plan and continued to manage the increased services required by the Child Intervention Services and the Family Support for Children with Disabilities programs. The Ministry continued to improve the continuum of its services as well as providing leadership in cross-ministry initiatives to produce better results for children, youth and families. The Ministry also actively implemented the strategy for the Prevention of Family Violence and Bullying action plan to support individuals, families and governments to work together towards an Alberta free of family violence and bullying.

### Revenues

The Ministry of Children's Services consolidated 2006-07 revenue of \$305 million was \$4.6 million lower than the previous year. The decrease was primarily due to reductions in Federal funding for Canada Social Transfer and the Five-Point Child Care Investment Plan. This was partially offset by increases in transfers from the Lottery Fund; Child Special Allowances; and Indian and Northern Affairs recoveries.

### Expenses

The Ministry ended the 2006-07 fiscal year with total expenses of \$902.8 million which were \$87.9 million or 10.8 per cent higher than the previous year. Child care program expenses were higher by \$25.4 million, relative to the prior year, as a result of funding the first full year of the Five-Point Child Care Investment Plan. The Child Intervention Services and the Family Support for Children with Disabilities programs incurred increased expenses of \$35.1 million and \$13.8 million respectively in relation to the prior year. Both programs experienced increased caseloads and costs due to population growth and legislative changes that resulted in greater client eligibility and an increase in the types of services provided. The Prevention of Family Violence and Bullying program expenses increased by \$4.4 million as a result of new anti-family violence and anti-bullying initiatives as well as additional funding for women's shelters. The balance of the expenditure increases over the prior year were due to relatively minor spending increases in a variety of Ministry programs.

## Comparison of 2006-07 Budget to 2006-07 Actuals

### SUMMARY

In 2006-07, the Ministry was provided with an authorized budget of \$922.1 million in order to fund 2006-07 expenses and ended the year with a budget surplus of \$19.3 million. The budget surplus occurred because the child care program budget was under spent as some Five-Point Child Care Investment Plan services were postponed and other programs, such as the Stay-at-Home, Extended Hours and Kin Child Care, had a lower uptake than anticipated.

**Child Care** – The child care program is intended to promote the development and well-being of children and support parents in accessing quality child care services for their children.

The budget for this program was increased by \$41.6 million, relative to the prior year, to provide for the first full year implementation of Alberta's Five-Point Child Care Investment Plan, which was developed to ensure parents have access to quality, affordable child care options. However, the child care budget was under spent by \$43.3 million because implementation of some actions in our Five-Point Child Care Investment Plan were postponed pending the impact of the termination of the July 2005 Agreement-in-Principle between the Alberta and federal governments. Also, some Early Learning and Child Care Investment Plan programs such as the Stay-at-Home, Extended Hours and Kin Child Care had a lower uptake than expected. The Stay-at-Home Subsidy program that provided up to \$100 per month for a stay-at-home parents accessing early childhood development programs was significantly impacted by the introduction of the federal government's Universal Child Care Benefit, which also provided direct financial assistance to families of children under the age of six. While the child care subsidy increases reached many low and middle income families, as a result of Alberta's economic climate, the number of higher income two-parent families increased, resulting in a reduced number of families who were able to access subsidies. Also, the labour market shortage impacted the ability to recruit and retain child care staff, resulting in a reduced number of available child care spaces, which in turn reduced the uptake by families who were able to access subsidies.

**Family Support for Children with Disabilities (FSCD)** – The *Family Support for Children with Disabilities Act* ensures greater consistency in families' access to support and services across the province, and it recognizes and respects the ability and responsibility of families as the primary source of care and support for their child. The FSCD program provides a range of family-centred services to strengthen families' ability to promote their child's growth and development while enabling them to care for their child in the family home. The program assists with some of the extraordinary costs of raising a child with a disability.

The program's budget of \$91.6 million was overspent by \$9.8 million due to an increase in the active number of agreements and a higher cost per case.

**Early Intervention** – The Early Intervention program is designed to develop and implement early childhood development programming across Alberta. The program includes, but is not limited to: enhancing home visitation, creating parenting skills development, facilitating parent groups on infant bonding and child development, funding parenting resource libraries through grants, and research initiatives.

Program expenses were \$5.5 million under budget. Some of the funding was reallocated to the Parenting Resources Initiative program for the establishment of new Parent Link Centres

MINISTRY OF CHILDREN'S SERVICES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amount can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

**Expenses**

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year;
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities; and
- grants are recognized when authorized and eligibility criteria, if any, are met.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 6.

**Assets**

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$5,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

**Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

which provide four core services: early childhood development and care; parent education; family support and information and referral services for children, youth, and families. Funding was also reallocated to the Prevention of Family Violence and Bullying program to finance an anti-bullying initiative that was implemented in January 2006.

**Prevention of Family Violence and Bullying** – The programs and initiatives within this division are intended to prevent family violence and bullying and to support victims of family violence and bullying. Program funding is provided to shelter victims in emergency shelters and to support programming in second stage housing projects. Funding is also provided to communities to take local action in addressing family violence and bullying, to support provincial prevention of bullying initiatives and to provide provincewide public education and awareness initiatives.

Program expenses were \$1.4 million over budget in order to fund a three per cent salary increase for the staff of women's shelters, to fund a new provincial public awareness campaign to encourage more Albertans to reach out to victims of family violence and to fund educational bursaries for the executive staff of women's shelters.

**Parenting Resources Initiative** – The program provides two key services: Parent Link Centres and Home Visitation. Parent Link Centres provide supports to parents to help their children develop and arrive at school ready to learn. At a community Parent Link Centre, parents can access child development programs, learn about positive parenting strategies, form informal support networks and locate other community programs. The Home Visitation service allows eligible families to receive home training in parenting skills and improve awareness of community sources for parenting skills.

Program expenses were \$1.2 million over budget. The over-expenditure was primarily due to costs incurred to support the expansion of the Parent Link Centre Initiative to meet the target of 46 centres in 2006-07.

**Child Intervention Services** – The Child Intervention program was split into two streams, family enhancement and child protective services, under the *Child, Youth and Family Enhancement Act* which was proclaimed on November 1, 2004. Family enhancement services include supports provided to assist the family in adequately caring for the child. Protection is defined specifically to include those services provided to a family when their child has entered out-of-home care or when the child is the subject of a supervision order.

The program experienced a \$22.1 million over-expenditure. The over-expenditure was primarily due to additional funding that was issued to CFSAs to cover the higher costs of unexpected child caseloads and cost per case increases, maintenance rate increases for foster care agencies and parents, enhanced salary and benefits for contracted agency employees and the additional frontline staff to facilitate implementation of the Casework Practice Model, which features a more comprehensive assessment process to help caseworkers ensure children, youth and families receive appropriate services earlier.

**Community Initiatives** – The program is intended to strengthen the capacity and self-reliance of communities for shared planning and delivery of services to meet the needs of children, youth and families.

Due to vacant staff positions in the department and some of the CFSAs, the start-ups of planned initiatives were delayed and the program incurred expenses that were \$4.6 million under budget.

**Program Support** – Program Support is comprised of the delivery, co-ordination and monitoring of the programming aspect of the Ministry, including support services to CFSAs, by offering guidance and expertise in accountability and program delivery.

The Ministry and Program Support expenses were \$2 million under budget due to savings that resulted from internal restructuring, lower than expected costs for computer system development consulting services and lower than expected project costs to convert the Ministry's recordkeeping from a paper to an electronic medium.

**Amortization Expense** – An over-expenditure of \$0.7 million occurred due to the additional amortization of significant capital purchases made in March 2006 to purchase equipment and information systems to support program delivery under the *Child, Youth and Family Enhancement Act*, the *Family Support for Children with Disabilities Act* and the Five-Point Child Care Investment Plan.

**Purchase of Capital Assets** – Capital assets represent vehicles, equipment and computer hardware and software owned by the Ministry to provide administrative and operational support for the delivery of the Ministry's various programs.

An under-expenditure of \$0.6 million occurred due to a delay in the development of the Casework Practice Model computer support system as a result of changes to the scope and design of the proposed system.

## Comparison of 2006-07 Expenses by Core Business

Core Business	2006-07	2006-07	2005-06
	Authorized Budget (\$000)	Actuals (\$000)	Actuals (Restated) (\$000)
1. Promoting the development and well-being of children, youth and families.	405,657	367,914	319,935
2. Keeping children, youth and families safe and protected.	435,125	458,061	419,982
3. Promoting healthy communities for children, youth and families	18,027	13,583	13,606
<b>TOTAL MINISTRY EXPENSE ***</b>	<b>858,809</b>	<b>839,558</b>	<b>753,523</b>

The amounts do not include Ministry or Program Support expenses.

MINISTRY OF CHILDREN'S SERVICES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 6 Accounts Payable and Accrued Liabilities (in thousands)**

	<u>2007</u>	<u>2006</u>
Trade	\$24,246	\$36,037
Government of Canada	50,094	31,624
Grants	33,156	8,256
Accrued Vacation Pay	18,488	17,297
Other	3,974	3,000
	<b>\$129,958</b>	<b>\$96,214</b>

**Note 7 Contractual Obligations (in thousands)**

The Ministry contracts with organizations to provide specific programs and services for children under the care of the Ministry. The Ministry has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

At March 31, 2007, the Ministry has the following obligations:

	<u>2007</u>	<u>2006</u>
Long-term leases <sup>(a)</sup>	<u>\$2,152</u>	<u>\$2,199</u>

<sup>(a)</sup> The Ministry leases certain vehicles under operating leases that expire at various dates to 2011. The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

2008	\$ 959
2009	\$ 699
2010	\$ 398
2011	\$ 96

**Note 8 Contingent Liabilities (in thousands)**

At March 31, 2007, the Ministry is a defendant in seventy-six claims (2006 - 76 claims). Seventy-one of these claims have specified amounts totaling \$1,214,837 and the remaining five have not specified any amount (2006 - 72 claims with a specified amount of \$1,230,343 and four with no specified amount).

Included in the total claims are thirty-seven claims amounting to \$1,052,201 in which the Ministry has been jointly named with other entities. Fifty-three claims amounting to \$941,147 (2006 - 51 claims for \$938,449) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

## Comparison of 2006-07 Budget to 2005-06 Comparable Actuals

- Actual spending for Core Business 1 was \$37.7 million lower than the budget. The budget surplus occurred primarily because the child care program budget was under-spent as the delivery of certain Five-Point Child Care Investment Plan programs were postponed and programs such as the Stay-at-Home, Extended Hours and Kin Child Care had a lower uptake than expected. The federal government's Universal Child Care Benefit program, which provided direct financial assistance of \$100 per month per child under the age of six, is considered to be part of the reason provincial child care services experienced a reduced demand. Use of subsidies was also lower because as wages rose, fewer parents qualified for subsidization of their child care expenses.
- Actual expenses for Core Business 2 were \$22.9 million higher than the budget. The over-expenditure was primarily due to additional Child Intervention Services program funding that was issued to the 10 CFSAs to cover the higher costs of unexpected child caseloads and cost per case increases, maintenance rate increases for foster care agencies and parents, enhanced salary and benefits for contracted agency employees and the implementation costs for the new Casework Practice Model, which features a more comprehensive assessment process to help caseworkers ensure children, youth and families receive appropriate services earlier.
- Actual spending for Core Business 3 was \$4.4 million less than the budget due to the delayed start-up of various planned community initiatives because of vacant staff positions in the Department and some of the CFSAs.

## Comparison of 2006-07 Actuals to 2005-06 Comparable Actuals

- The increase of \$48.0 million in expenses for Core Business 1 is primarily due to higher spending in the Child Care, Family Support for Children with Disabilities and Prevention of Family Violence and Bullying programs. Child care expenses were higher due to large increases in child care subsidies, significant increases in wage supports to address the issue of recruiting and retaining qualified staff to work in licensed day care centres and accredited family day homes and significant increases in the number of accredited licensed day care centres and contracted family day home agencies. The Family Support for Children with Disabilities program was over spent as a result of the need to fund legislative changes that resulted in greater client eligibility and an increase in the scope of services provided. The Prevention of Family Violence and Bullying program was over spent due to funding for a new provincial public awareness campaign to encourage more Albertans to reach out to victims of family violence, to fund women's shelter staff salary increases and to fund educational bursaries for executive staff of women's shelters.
- The increase of \$38.1 million in expenses for Core Business 2 is due to higher spending in Child Intervention Services program. The Child Intervention Services program over-expenditure was necessary to address caseload and costs per case increases, to introduce a new Casework Practice Model, which features a more comprehensive assessment process to assist caseworkers, to focus on permanency planning for Aboriginal children, to provide greater financial support to foster parents and kinship caregivers and to fund enhanced salary and benefits for contracted agency employees.

## Looking Forward

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As we look to the future, several key priorities will continue to strengthen the support and services we provide to children, youth and families.

Alberta's strong economy and full labour force participation presents many opportunities and challenges for the province's children and families. Children's Services will continue to implement the Five-Point Child Care Investment Plan to ensure parents have access to quality, affordable child care. The Ministry will enhance subsidies to keep up with inflation and make child care affordable for low- and middle-income families. It will implement strategies to improve recruitment and retention of child care professionals and increase the number of child care spaces. In addition, the Ministry will implement new child care licensing legislation that will expand the range of available child care options.

The Ministry will focus on improving outcomes for children in care or in need of specialized services. It will work with DFNAs and Indian and Northern Affairs Canada to ensure First Nations children remain connected to their culture, have stable, culturally appropriate placements and make successful transitions to adulthood. In partnership, they will implement a culturally appropriate, differential response approach to address the needs of children at risk and their families to ensure better outcomes for Aboriginal children. The Ministry will enhance its capacity to improve outcomes for children in the care of Director by continuing to implement a new casework practice model for Child Intervention Services, building on the successes of the 13 Champion Sites established in 2007. The Ministry will also conduct a major foster parent recruitment campaign and increase training provided to foster parents.

The Ministry will implement processes to enhance service quality for the FSCD program. Children's Services will lead the development of a provincial response to Fetal Alcohol Spectrum Disorder (FASD) with a full range of integrated services.

The Ministry will continue to work in collaboration with contracted service providers to ensure that they have the supports needed to be successful.

A multi-disciplinary approach will be established among health professionals, police and child intervention caseworkers to protect children exposed to drugs. The approach includes working with other ministries to implement the *Protection of Children Abusing Drugs Act* and address the increased use of crystal methamphetamine in Alberta.

Children's Services will continue to build collaborative partnerships with other ministries on initiatives such as Prevention of Family Violence and Bullying, FASD, Integrated Crime Reduction Strategy and the Community Spirit program.

Children's Services will continue to lead a cross-ministry Prevention of Family Violence and Bullying Initiative to develop and enhance a co-ordinated and collaborative response to reduce the impacts of this serious social issue. The Ministry will provide grants to communities through the Community Incentive Fund, to enhance public awareness and education and provide support to victims.

MINISTRY OF CHILDREN'S SERVICES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Trust Funds Under Administration (in thousands)**

The Ministry administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Department's financial statements.

At March 31, 2007 the trust fund under administration is as follows:

	<u>2007</u>	<u>2006</u>
Child Resource Rebate Trust Fund	<u>\$1,481</u>	<u>\$3,131</u>

The Province of Alberta paid a \$400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director's care.

Each child's resource rebate may be used for a child's special needs that are over and above those that the Ministry provides.

The Director will release the funds to the:

- child's guardian/parent if a special need is identified and they can purchase goods and/or services to the benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for 2 years after the child turns 18. At that time, the Director's obligation to pay the refund lapses.

**Note 10 Defined Benefit Plans (in thousands)**

The Ministry participates in multi-employer pension plans Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$14,289 for the year ending March 31, 2007 (2006 - \$12,758).

At December 31, 2006, the Management Employees Pension Plan reported a deficiency of \$6,765 (2005 - \$165,895) and the Public Service Pension Plan reported a surplus of \$153,024 (2005 - deficiency of \$187,704). At December 31, 2006, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$3,698 (2005 - \$10,018).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2007, the Bargaining Unit Plan reported an actuarial surplus of \$153 (2006 - actuarial deficiency of \$8,699) and the Management, Opted Out and Excluded Plan had an actuarial surplus of \$10,148 (2006 - \$8,309). The expense for these two plans is limited to the employer's annual contributions for the year.

**Note 11 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 12 Approval of Financial Statements**

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

The Ministry will develop options to review and improve Alberta's social infrastructure, and engage in collaborative decision-making to provide better outcomes for children, youth and families. Children's Services will work with other ministries and the Alberta Centre for Child, Family and Community Research to promote relevant research and information to support strategy and policy. Collaboration with communities will continue to be a cornerstone of service delivery practice, while new technology, such as video conferencing, will improve access to services.

Children's Services will implement the recommendations of program reviews completed during the 2006-07 fiscal year for the FCSS program, Women's Emergency Shelters and Youth Emergency Shelters. In implementing the FCSS recommendations, additional attention will be paid to expanding access to FCSS programming in rural area.

# Financial Information

## Financial Information

MINISTRY OF CHILDREN'S SERVICES  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2007

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## Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Children's Services as at March 31, 2007 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn FCA  
Auditor General

Edmonton, Alberta  
May 18, 2007

MINISTRY OF CHILDREN'S SERVICES  
CONSOLIDATED STATEMENT OF OPERATIONS

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget	Actual	Actual
	(Schedule 3)		(Restated - Note 3)
<b>Revenues ( Schedule 1)</b>			
Internal Government Transfers	\$ 49,500	\$ 49,500	\$ 34,000
Transfers from Government of Canada	277,827	243,137	263,296
Other	9,209	12,406	12,355
	<u>336,536</u>	<u>305,043</u>	<u>309,651</u>
<b>Expenses - Directly Incurred (Note 2b and Schedule 6)</b>			
Voted (Schedules 2, 3, and 4)			
Promoting the development and well being of children, youth and families	405,657	367,914	319,935
Keeping children, youth and families safe and protected	435,125	458,061	419,982
Promoting healthy communities for children, youth and families	18,027	13,583	13,606
Support Services	58,295	56,775	53,194
	<u>917,104</u>	<u>896,333</u>	<u>806,717</u>
<b>Statutory ( Schedules 2 and 4)</b>			
Valuation adjustments	1,500		
Provision for Doubtful Accounts		2,324	2,220
Provision for Vacation Pay		1,192	1,806
	<u>1,500</u>	<u>3,516</u>	<u>4,026</u>
	<u>918,604</u>	<u>899,849</u>	<u>810,743</u>
<b>Net Operating Results</b>	<b>\$ (582,068)</b>	<b>\$ (594,806)</b>	<b>\$ (501,092)</b>

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF CHILDREN'S SERVICES  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
		(Restated Note 3)
<b>ASSETS</b>		
Cash	\$ 55,780	\$ 38,158
Accounts Receivable (Note 4)	13,772	8,895
Prepaid Expenses	204	5,554
Advances	422	414
Tangible Capital Assets (Note 5)	7,383	7,185
	<b><u>\$ 77,561</u></b>	<b><u>\$ 60,206</u></b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 129,958	\$ 96,214
<b>NET LIABILITIES</b>		
Net Liabilities at Beginning of Year	(36,008)	(21,901)
Net Operating Results	(594,806)	(501,092)
Net Transfer from General Revenues	578,417	486,985
Net Liabilities at End of Year	<b><u>(52,397)</u></b>	<b><u>(36,008)</u></b>
	<b><u>\$ 77,561</u></b>	<b><u>\$ 60,206</u></b>

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF CHILDREN'S SERVICES  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006 (Restated - Note 3)
<b>Operating Transactions</b>		
Net Operating Results	\$ (594,806)	\$ (501,092)
Non-Cash Items included in Net Operating Results		
Amortization	2,022	1,627
Valuation Adjustments	3,516	4,026
	<u>(589,268)</u>	<u>(495,439)</u>
Increase in Accounts Receivable <sup>(a)</sup>	(7,200)	(3,447)
Decrease (Increase) in Prepaid Expenses	5,350	(5,554)
(Increase) Decrease in Advances	(8)	16
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	32,552	15,868
Cash Applied to Operating Transactions	<u>(558,574)</u>	<u>(488,556)</u>
<b>Capital Transactions</b>		
Cash Applied to Acquisition of Tangible Capital Assets	<u>(2,221)</u>	<u>(4,143)</u>
<b>Financing Transactions</b>		
Net Transfer from General Revenues	578,417	486,985
<b>Increase (Decrease) in Cash</b>	17,622	(5,714)
<b>Cash, Beginning of Year</b>	38,158	43,872
<b>Cash, End of Year</b>	<u>\$ 55,780</u>	<u>\$ 38,158</u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF CHILDREN'S SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**Valuation of Financial Assets and Liabilities**

Fair value is the amount of consideration agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

**Net Assets/Liabilities**

Net assets/liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

**Measurement Uncertainty (in thousands)**

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The actual amount collected could vary significantly from that estimated. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Accounts receivable recorded as \$13,772 and accounts payable and accrued liabilities of \$129,958 in these financial statements are subject to measurement uncertainty.

**Note 3 Program Transfer (in thousands)**

Administrative costs for 2006 have been restated as if the Ministry had always been assigned with its current responsibilities. The costs of certain administrative functions are now the responsibility of the Ministry of Service Alberta. The Ministry of Service Alberta continues to provide the Ministry with the services related to these administrative functions but no consideration is exchanged.

Effective April 2006, internal auditors that provided dedicated audit services were transferred from Executive Council to the Ministry. Internal audit expenses for the year ending March 31, 2006 have been restated on the supposition that Department staff had performed the internal audit responsibilities.

**Net transfer from General Revenue on March 31, 2006 is made up as follows:**

Net Transfer from General Revenues as previously reported	\$494,827
Transfer from Executive Council	528
Transfer to Ministry of Service Alberta	(8,370)
Restated Net Transfer from General Revenues	<u>\$486,985</u>

MINISTRY OF CHILDREN'S SERVICES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year ended March 31, 2007

**Net Operating Results on March 31, 2006 is made up as follows:**

Net Operating Results as previously reported	\$ (508,934)
Transfer from Executive Council	(528)
Transfer to Ministry of Service Alberta	8,370
Restated Net Operating Results	\$ (501,092)

**Note 4 Accounts Receivable (in thousands)**

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$15,922	\$3,803	\$12,119	\$7,238
Refunds from Suppliers	1,868	215	1,653	1,657
	<b>\$17,790</b>	<b>\$4,018</b>	<b>\$13,772</b>	<b>\$8,895</b>

Account receivable are unsecured and non-interest bearing

**Note 5 Tangible Capital Assets (in thousands)**

	Equipment*	Computer hardware and software	2007 Total	2006 Total
<b>Estimated useful life</b>		5 years	5 years	
<b>Historical Cost**</b>				
Beginning of year	\$1,232	\$21,276	\$22,508	\$18,037
Additions	6	2,215	2,221	4,143
Disposals, including write-downs	\$1,238	\$23,491	\$24,729	\$22,180
<b>Accumulated Amortization</b>				
Beginning of year	\$878	\$14,446	\$15,324	\$13,368
Amortization expense	60	1,962	2,022	1,627
Effect of disposals	\$938	\$16,408	\$17,346	\$14,995
<b>Net Book Value at March 31, 2007</b>	<b>\$300</b>	<b>\$7,083</b>	<b>\$7,383</b>	
<b>Net Book Value at March 31, 2006</b>	<b>\$355</b>	<b>\$6,830</b>		<b>\$7,185</b>

\*Equipment includes vehicles, office equipment and furniture, and other equipment.

New system development and enhancements are currently amortized over five years based on management estimates as to the useful lives of specific information systems.

\*\*Historical cost includes work-in-progress at March 31, 2007 totaling \$777 all comprised of computer hardware and software (2006 - \$706).

MINISTRY OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Revenues – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	<b>Budget</b>	<b>2007 Actual</b>	<b>2006 Actual</b>
<b>Internal Government Transfers</b>			
Transfers from the Lottery Fund	\$ 49,500	\$ 49,500	\$ 34,000
<b>Transfers from the Government of Canada</b>			
Canada Social Transfer	183,667	137,217	162,528
Early Learning and Child Care	65,700	65,973	70,365
Services on First Nation Reserves	10,800	16,700	11,932
National Child Special Allowance	17,660	23,247	18,471
	<u>277,827</u>	<u>243,137</u>	<u>263,296</u>
<b>Other Revenue</b>			
Refunds of Expenditure			
First Nation Agencies Recoveries	3,709	1,465	3,365
Other Refunds	5,500	10,069	8,990
Other	-	872	-
	<u>9,209</u>	<u>12,406</u>	<u>12,355</u>
<b>Total Revenues</b>	<b>\$ 336,536</b>	<b>\$ 305,043</b>	<b>\$ 309,651</b>

MINISTRY OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses – Directly Incurred Detailed by Object – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)			(Restated - Note 3)	
	2007		2006		
	Budget	Actual			
<b>Voted:</b>					
Salaries, Wages and Employee Benefits	\$ 193,505	\$ 199,589	\$ 184,589		
Supplies and Services	499,488	424,176	401,201		
Supplies and Services from Support Service					
Arrangements with Related Parties (a)		1,166	1,153		
Grants (b)	222,685	270,062	218,640		
Financial Transactions and Other	169	148	307		
Amortization of Tangible Capital Assets	1,257	2,022	1,627		
Total Voted Expenses before Recoveries	<u>917,104</u>	<u>897,163</u>	<u>807,517</u>		
Less Recovery from Support Service Arrangements with Related Parties (c)		(830)	(800)		
	<u>\$ 917,104</u>	<u>\$ 896,333</u>	<u>\$ 806,717</u>		
<b>Statutory:</b>					
Valuation Adjustments	\$ 1,500	\$ -	\$ -		
Provision for Vacation Pay	-	1,192	1,806		
Provision for Doubtful Accounts	-	2,324	2,220		
	<u>\$ 1,500</u>	<u>\$ 3,516</u>	<u>\$ 4,026</u>		

(a) The Ministry receives information technology, financial and other administrative support services from the Ministry of Employment, Immigration and Industry and residential placement services from the Ministry of Seniors and Community Supports.

(b) 2006 Supplies and Services amounts totalling \$70,409 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation.

(c) The Ministry provides operational human resources services to the Ministry of Seniors and Community Supports and the Ministry of Employment, Immigration and Industry. Costs incurred by the Ministry for these services are recovered from the Ministry of Seniors and Community Supports and the Ministry of Employment, Immigration and Industry.

MINISTRY OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Budget – Schedule 3**

Year ended March 31, 2007

	(IN THOUSANDS)				
	2006 - 2007 Estimates (a)	Adjustments	2006 - 2007 Budget	Authorized Supplementary	2006 - 2007 Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 49,500	\$ -	\$ 49,500	\$ -	\$ 49,500
Transfers from Government of Canada	277,827	-	277,827	-	277,827
Other Revenue	9,209	-	9,209	-	9,209
	<b>336,536</b>	<b>-</b>	<b>336,536</b>	<b>-</b>	<b>336,536</b>
<b>Expenses - Directly Incurred:</b>					
Voted Expenses					
Promoting the development and well being of children, youth and families	405,657	-	405,657		405,657
Keeping children, youth and families safe and protected	435,125	-	435,125	-	435,125
Promoting healthy communities for children, youth and families	18,027	-	18,027	-	18,027
Support Services	58,295	-	58,295	-	58,295
	<b>917,104</b>	<b>-</b>	<b>917,104</b>	<b>-</b>	<b>917,104</b>
Statutory Expenses					
Valuation adjustments	1,500	-	1,500	-	1,500
	<b>1,500</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
Net Operating Results					
	<b>\$ (582,068)</b>	<b>\$ -</b>	<b>\$ (582,068)</b>	<b>\$ -</b>	<b>\$ (582,068)</b>
Equipment/Inventory Purchases (EIP)					
	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ 3,500</b>

(a) The 2006-07 Estimates amount reflects a transfer of \$125 for emerging capital purposes to the Ministry of Children's Services pursuant to the Appropriation Act 2006, section 5 (1)(a) from the Ministry of Infrastructure and Transportation (Treasury Board minute 23/2006).

MINISTRY OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Comparison of Expenses – Directly Incurred, EIP and Capital**  
**Investment and Statutory Expenses by Element to Authorized Budget**  
**Schedule 4**

Year ended March 31, 2007

(IN THOUSANDS)

	2006 - 2007		2006-07 Budget	Authorized Supplementary	Authorized Budget	2006-2007 Actual Expense	Unexpended (Over Expended)
	Estimates (a)	Adjustment					
<b>Voted Expense, EIP and Capital Investments</b>							
<b>Promoting the development and well being of children, youth and families:</b>							
Child Care	\$ 146,985	\$ -	\$ 146,985	\$ -	\$ 146,985	\$ 103,730	\$ 43,255
Family Support for Children with Disabilities	91,609	-	91,609	-	91,609	101,439	(9,830)
Family and Community Support Services	68,232	-	68,232	-	68,232	67,436	796
Early Intervention	38,302	-	38,302	-	38,302	32,826	5,476
Prevention of Family Violence and Bullying	32,535	-	32,535	-	32,535	33,954	(1,419)
Parenting Resources Initiative	17,087	-	17,087	-	17,087	18,328	(1,241)
Fetal Alcohol Spectrum Disorder Initiatives	5,551	-	5,551	-	5,551	5,181	370
Youth in Transition	5,356	-	5,356	-	5,356	5,020	336
	<b>405,657</b>		<b>405,657</b>		<b>405,657</b>	<b>367,914</b>	<b>37,743</b>
<b>Keeping children, youth and families safe and protected:</b>							
Child Intervention Services	423,981	-	423,981	-	423,981	446,073	(22,092)
Protecting Children from Sexual Exploitation	6,200	-	6,200	-	6,200	6,179	21
Child and Youth Advocate	4,944	-	4,944	-	4,944	5,781	(837)
Amortization of Capital Assets	-	-	-	-	-	28	(28)
	<b>435,125</b>		<b>435,125</b>		<b>435,125</b>	<b>458,061</b>	<b>(22,936)</b>
<b>Promoting healthy communities for children, youth and families:</b>							
Community Initiatives	14,352	-	14,352	-	14,352	9,760	4,592
Child and Family Research	2,000	-	2,000	-	2,000	2,000	-
Alberta's Promise	1,675	-	1,675	-	1,675	1,823	(148)
	<b>18,027</b>		<b>18,027</b>		<b>18,027</b>	<b>13,583</b>	<b>4,444</b>
<b>Support Services</b>							
Ministry Support	15,088	-	15,088	-	15,088	14,851	237
Program Support	41,907	-	41,907	-	41,907	39,929	1,978
Amortization of Capital Assets	1,300	-	1,300	-	1,300	1,995	(695)
	<b>58,295</b>		<b>58,295</b>		<b>58,295</b>	<b>56,775</b>	<b>1,520</b>
<b>Equipment/Inventory Purchases</b>							
	<b>3,500</b>	-	<b>3,500</b>	-	<b>3,500</b>	<b>2,909</b>	<b>591</b>
<b>Total Voted Expense, EIP and Capital Investments</b>	<b>920,604</b>	-	<b>920,604</b>	-	<b>920,604</b>	<b>899,242</b>	<b>21,362</b>
<b>Statutory Expenses:</b>							
Valuation Adjustment	1,500	-	1,500	-	1,500	3,516	(2,016)
<b>Total Expenses</b>	<b>\$ 922,104</b>	<b>\$ -</b>	<b>\$ 922,104</b>	<b>\$ -</b>	<b>\$ 922,104</b>	<b>\$ 902,758</b>	<b>\$ 19,346</b>

(a) The 2006-07 Estimates amount reflects a transfer of \$125 for emerging capital purposes to the Ministry of Children's Services pursuant to the Appropriation Act 2006, section 5 (1)(a) from the Ministry of Infrastructure and Transportation (Treasury Board minute 23/2006).

**MINISTRY OF CHILDREN'S SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions – Schedule 5**

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)	
	2007	2006
<b>Other Entities</b>		
<b>Revenues:</b>		(Restated - Note 3)
Internal Government Transfers - Lottery Fund	\$ 49,500	\$ 34,000
Ministry of Education - School Divisions	3,605	2,514
Ministry of Seniors & Community Supports	-	19
Ministry of Alberta Justice & Attorney General	17	24
Other Ministries	-	5
	<u>\$ 53,122</u>	<u>\$ 36,562</u>
<b>Expenses:</b>		
Ministry of Service Alberta	4,991	9,380
Ministry of Alberta Infrastructure and Transportation	1	12
Ministry of Finance	1,214	851
Ministry of Employment, Immigration and Industry	6	119
Ministry of Health & Wellness	-	100
Ministry of Health & Wellness - Health Authorities	3,125	2,167
Ministry of Executive Council	-	13
Ministry of Seniors & Community Supports	607	5
Ministry of Advanced Education and Technology - Post Secondary	801	192
Ministry of Education - School Divisions	3,203	5,094
	<u>\$ 13,948</u>	<u>\$ 17,933</u>
<b>Tangible Capital Assets</b>		
Transferred to Ministry of Service Alberta	<u>\$ (695)</u>	<u>–</u>
<b>Receivable from/(payable to) (net)</b>		
Ministry of Service Alberta	(695)	–
Ministry of Seniors and Community Supports	52	–
Ministry of Employment, Immigration and Industry	–	(99)
Ministry of Health & Wellness	–	39
Ministry of Health & Wellness - Health Authorities	111	(21)
Ministry of Advanced Education and Technology - Post Secondary	620	43
Ministry of Education - School Divisions	–	476
	<u>\$ 88</u>	<u>\$ 438</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 6.

	(IN THOUSANDS)	
	2007	2006
<b>Other Entities</b>		
<b>Expenses - Incurred by Others</b>		
Accommodation	\$ 19,894	\$ 19,584
Legal Services	3,581	3,510
Internal Audit	30	3
Administrative	8,877	8,370
Air Transportation	121	22
	<u>\$ 32,503</u>	<u>\$ 31,489</u>

MINISTRY OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**

**Allocated Costs – Schedule 6**

Year ended March 31, 2007

Program	(IN THOUSANDS)											2006 (Restated - Note 3) Total Expenses	
	2007						Valuation Adjustments <sup>(5)</sup>						
	Expenses - Incurred by Others		Accommodation Costs <sup>(2)</sup>		Administrative Costs <sup>(3)</sup>		Legal Services <sup>(4)</sup>		Internal Audit	Air Transportation	Vacation Pay	Doubtful Accounts	
Program	Expenses <sup>(1)</sup>	Costs <sup>(2)</sup>	Costs <sup>(3)</sup>	Costs <sup>(4)</sup>	Services <sup>(4)</sup>	Audit	Transportation						
Promoting the development and well-being of children, youth and families	\$ 367,914	\$ 1,107	\$ 494	\$ 199	\$ 5	\$ 121	\$ 66	\$ -	\$ 369,906	\$ 321,473			
Keeping children, youth and families safe and protected	458,061	16,437	7,334	2,959	10	-	985	-	485,786	450,502			
Promoting healthy communities for children, youth and families	13,583	537	240	97	2	-	32	-	14,491	15,150			
Support Services	56,775	1,813	809	326	13	-	109	2,324	62,169	55,107			
	<u>\$ 896,333</u>	<u>\$ 19,894</u>	<u>\$ 8,877</u>	<u>\$ 3,581</u>	<u>\$ 30</u>	<u>\$ 121</u>	<u>\$ 1,192</u>	<u>\$ 2,324</u>	<u>\$ 932,352</u>	<u>\$ 842,232</u>			

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure and Transportation, represent the Ministry's buildings costs allocated by the number of Ministry employees per program.

(3) Administrative costs represents human resource, finance, business and corporate services provided by the Department of Service Alberta for which no consideration was exchanged. Costs were allocated by the number of Ministry Employees per program.

(4) Costs for Legal Services, which were paid by the Ministry of Justice and Attorney General, were allocated in proportion to the expenses incurred by each program.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.



DEPARTMENT OF CHILDREN'S SERVICES  
FINANCIAL STATEMENTS  
MARCH 31, 2007

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## Auditor's Report

To the Minister of Children's Services

I have audited the statement of financial position of the Department of Children's Services as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department of Children's Services as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Dunn  
FCA  
Auditor General

Edmonton, Alberta  
May 18, 2007

**DEPARTMENT OF CHILDREN'S SERVICES  
STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget (Schedule 3)	Actual	Actual (Restated - Note 3)
<b>Revenues (SCHEDULE 1)</b>			
Internal Government Transfers	\$ 49,500	49,500	34,000
Transfers from the Government of Canada	277,827	243,137	263,296
Other	5,500	6,069	7,509
	<u>332,827</u>	<u>298,706</u>	<u>304,805</u>
<b>Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 7)</b>			
Voted (SCHEDULES 2, 3 AND 4)			
Ministry Support Services	15,088	14,850	14,354
Promoting the Development and Well-Being of Children, Youth and Families	405,633	376,263	319,935
Keeping Children, Youth and Families Safe and Protected	434,585	452,617	417,528
Promoting Healthy Communities for Children, Youth and Families	14,925	14,079	12,056
Program Support	<u>43,164</u>	<u>40,616</u>	<u>38,837</u>
	<u>913,395</u>	<u>898,425</u>	<u>802,710</u>
Statutory (SCHEDULES 2, 3 AND 4)			
Valuation Adjustments	1,500	-	-
Provision for Doubtful Accounts	-	1,909	2,151
Provision for Vacation Pay	-	426	609
	<u>1,500</u>	<u>2,335</u>	<u>2,760</u>
	<u>914,895</u>	<u>900,760</u>	<u>805,470</u>
<b>Net Operating Results</b>	<b><u>\$ (582,068)</u></b>	<b><u>\$ (602,054)</u></b>	<b><u>\$ (500,665)</u></b>

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF CHILDREN'S SERVICES  
STATEMENT OF FINANCIAL POSITION

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
	(Restated - Note 3)	
<b>Assets</b>		
Cash	\$ 70	\$ 3,607
Accounts Receivable (NOTE 4)	9,845	8,795
Advances	408	409
Tangible Capital Assets ( NOTE 5)	7,110	6,848
	<b><u>\$ 17,433</u></b>	<b><u>\$ 19,659</u></b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	\$ 96,556	\$ 75,140
<b>Net Liabilities</b>		
Net Liabilities at Beginning of Year	(55,481)	(41,801)
Net Operating Results	(602,054)	(500,665)
Net Transfer from General Revenues	578,412	486,985
	<b><u>(79,123)</u></b>	<b><u>(55,481)</u></b>
	<b><u>\$ 17,433</u></b>	<b><u>\$ 19,659</u></b>

The accompanying notes and schedules are part of these financial statements.

**DEPARTMENT OF CHILDREN'S SERVICES  
STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

(IN THOUSANDS)

	2007	2006	
		(Restated - Note 3)	
<b>Operating Transactions</b>			
Net Operating Results	\$ (602,054)	\$ (500,665)	
Non-Cash Items included in Net Operating Results			
Amortization	1,952	1,549	
Valuation Adjustments (NET)	2,335	2,760	
	<u>(597,767)</u>	<u>(496,356)</u>	
Increase in Accounts Receivable <sup>(a)</sup>	(2,959)	(2,937)	
Decrease in Advances	1	2	
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	20,990	18,525	
Cash Applied to Operating Transactions	<u>(579,735)</u>	<u>(480,766)</u>	
<b>Capital Transactions</b>			
Acquisition of Tangible Capital Assets	(2,214)	(4,079)	
<b>Financing Transactions</b>			
Net Transfer from General Revenues	<u>578,412</u>	<u>486,985</u>	
<b>(Decrease)/Increase in Cash</b>	(3,537)	2,140	
<b>Cash, Beginning of Year</b>	3,607	1,467	
<b>Cash, End of Year</b>	<u>\$ 70</u>	<u>\$ 3,607</u>	

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF CHILDREN'S SERVICES  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 1 Authority and Purpose**

The Department of Children's Services operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**(a) Reporting Entity**

The reporting entity is the Department of Children's Services, which is part of the Ministry of Children's Services and for which the Minister of Children's Services is accountable. Other entities reporting to the Minister are the ten regional provincial agencies, known as Child and Family Services Authorities. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

**(b) Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual basis of accounting.

**Internal Government Transfers**

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

**Transfers from Government of Canada**

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

## Other Information

**DEPARTMENT OF CHILDREN'S SERVICES  
NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**Expenses**

**Directly Incurred**

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized when authorized and eligibility criteria, if any, are met.

**Incurred by Others**

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

**Assets**

Financial assets of the Department are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

DEPARTMENT OF CHILDREN'S SERVICES  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

**Valuation of Financial Assets and Liabilities**

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

**Net Liabilities**

Net liabilities represents the difference between the carrying value of assets held by the Department and its liabilities.

**Measurement Uncertainty (in thousands)**

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Accounts receivable recorded as \$9,845 and accounts payable and accrued liabilities of \$96,556 in these financial statements are subject to measurement uncertainty.

**Note 3 Program Transfer (in thousands)**

Administrative cost for 2006 have been restated as if the Department had always been assigned with its current responsibilities. The costs of certain administrative functions are now the responsibility of the Department of Service Alberta. The Department of Service Alberta continues to provide the Department with the services related to these administrative functions, but no consideration is exchanged.

Effective April 2006, internal auditors that provided dedicated audit services to Children's Services were transferred from Executive Council to the Department. Internal audit expenses for the year ending March 31, 2006 have been restated on the supposition that Department staff had performed the internal audit responsibilities.

**Net transfer from General Revenue on March 31, 2006 is made up as follows:**

Net Transfer from General Revenues as previously reported	\$494,827
Transfer from Executive Council	528
Transfer to Ministry of Service Alberta	(8,370)
Restated Net Transfer from General Revenues	<u>\$486,985</u>

DEPARTMENT OF CHILDREN'S SERVICES  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 3 Program Transfer (in thousands) (continued)**

Net Operating Results on March 31, 2006 is made up as follows:

Net Operating Results as previously reported	\$(508,507)
Transfer from Executive Council	(528)
Transfer to Ministry of Service Alberta	8,370
Restated Net Operating Results	<u>\$(500,665)</u>

**Note 4 Accounts Receivable (in thousands)**

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	\$13,500	\$3,799	\$9,701	\$8,299
Refunds from suppliers	144	-	144	496
	<u>\$13,644</u>	<u>\$3,799</u>	<u>\$9,845</u>	<u>\$8,795</u>

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Tangible Capital Assets (in thousands)**

	Equipment*	Computer hardware and software	2007 Total	2006 Total
<b>Estimated useful life</b>	5 years	5 years		
<b>Historical Cost**</b>				
Beginning of year	\$732	\$20,948	\$21,680	\$17,601
Additions	-	2,214	2,214	4,079
	<u>\$732</u>	<u>\$23,162</u>	<u>\$23,894</u>	<u>\$21,680</u>
<b>Accumulated Amortization</b>				
Beginning of year	\$714	\$14,118	\$14,832	\$13,283
Amortization expense	3	1,949	1,952	1,549
	<u>\$717</u>	<u>\$16,067</u>	<u>\$16,784</u>	<u>\$14,832</u>
<b>Net Book Value at March 31, 2007</b>	<u>\$15</u>	<u>\$7,095</u>	<u>\$7,110</u>	
<b>Net Book Value at March 31, 2006</b>	<u>\$18</u>	<u>\$6,830</u>	<u>\$6,848</u>	

\* Equipment includes vehicles, office equipment and furniture.

\*\*Historical cost includes work-in-progress at March 31, 2007 totaling \$777 comprised of computer hardware and software (2006 - \$706).

DEPARTMENT OF CHILDREN'S SERVICES  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 6 Accounts Payable and Accrued Liabilities (in thousands)**

	<u>2007</u>	<u>2006</u>
Child and Family Services Authorities	\$16,001	\$19,977
Trade	7,324	9,940
Government of Canada	50,094	31,624
Grants	17,468	8,256
Vacation Pay and Manpower	5,397	4,841
Other	272	502
	<b>\$96,556</b>	<b>\$75,140</b>

**Note 7 Contractual Obligations (in thousands)**

The Department contracts with organizations to provide specific programs and services for children under the care of the Department. The Department has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

At March 31, 2007, the Department has the following contractual obligations:

	<u>2007</u>	<u>2006</u>
Long-term leases	\$152	\$151

The Department leases certain vehicles under operating leases that expire at various dates to 2011. The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

2008	\$ 73
2009	53
2010	23
2011	3

**Note 8 Contingent Liabilities (in thousands)**

At March 31, 2007, the Department is a defendant in sixty-nine legal claims (2006 - fifty-one legal claims). Sixty-six of these claims have specified amounts totaling \$1,189,567 and the remaining three have not specified any amount (2006 - 50 claims with a specified amount of \$1,081,274 and one with no specified amount).

Included in the total legal claims are forty-four claims amounting to \$1,157,091 in which the Department has been jointly named with other entities. Fifty claims amounting to \$916,277 (2006 - 33 claims amounting to \$794,930) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

DEPARTMENT OF CHILDREN'S SERVICES  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Trust Funds Under Administration (in thousands)**

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Department's financial statements.

At March 31, 2007 the trust fund under administration is as follows:

	<u>2007</u>	<u>2006</u>
Child Resource Rebate Trust Fund	<u>\$1,481</u>	<u>\$3,131</u>

The Province of Alberta paid a \$400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director's care.

Each child's resource rebate may be used for a child's special needs that are over and above those that the Ministry provides.

The Director will release the funds to the:

- child's guardian/parent if a special need is identified and they can purchase goods and/or services to benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for 2 years after the child turns 18. At that time, the Director's obligation to pay the refund lapses.

**Note 10 Defined Benefit Plans (in thousands)**

The Department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$4,176 as at March 31, 2007 (2006 - \$3,503).

At December 31, 2006, the Management Employees Pension Plan reported a deficiency of \$6,765 (2005 - \$165,895) and the Public Service Pension Plan reported a surplus of \$153,024 (2005 - deficiency of \$187,704). At December 31, 2006, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$3,698 (2005 - \$10,018).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2007, the Bargaining Unit Plan reported an actuarial surplus of \$153 (2006 - actuarial deficiency of \$8,699) and the Management, Opted Out and Excluded Plan had an actuarial surplus of \$10,148 (2006 - \$8,309). The expense for these two plans is limited to the employer's annual contributions for the year.

**Note 11 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 12 Approval of Financial Statements**

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Revenues – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	Budget	2007 Actual	2006 Actual
<b>Internal Government Transfers</b>			
Transfers from the Lottery Fund	\$ 49,500	\$ 49,500	\$ 34,000
<b>Transfers from the Government of Canada</b>			
Canada Social Transfer	183,667	137,217	162,528
Early Learning and Childcare	65,700	65,973	70,365
Services on First Nation Reserves	10,800	16,700	11,932
National Child Special Allowance and Other	17,660	23,247	18,471
	<u>277,827</u>	<u>243,137</u>	<u>263,296</u>
<b>Other Revenue</b>			
Refunds of Expenditure	5,500	-	-
First Nations Agencies Recoveries	-	1,464	3,365
Other Refunds	-	4,245	3,191
Other	-	360	953
	<u>5,500</u>	<u>6,069</u>	<u>7,509</u>
	<u><u>\$ 332,827</u></u>	<u><u>\$ 298,706</u></u>	<u><u>\$ 304,805</u></u>

DEPARTMENT OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses – Directly Incurred Detailed by Object – Schedule 2**  
Year ended March 31, 2007

	(IN THOUSANDS)				
	2007		2006		(Restated - Note 3)
	Budget	Actual	Actual	2006	
<b>Voted:</b>					
Salaries, Wages and Employee Benefits	\$ 33,277	\$ 35,994	\$ 32,503		
Supplies and Services	90,957	67,175	79,753		
Supplies and Services from Support Service					
Arrangements with Related Parties (a)		559	555		
Grants	787,778	793,459	689,043		
Financial Transactions and Other	126	116	107		
Amortization of Tangible Capital Assets	1,257	1,952	1,549		
Total Voted Expenses before Recoveries	<u>913,395</u>	<u>899,255</u>	<u>803,510</u>		
Less Recovery from Support Service Arrangements with Related Parties (b)		(830)	(800)		
	<u>913,395</u>	<u>898,425</u>	<u>802,710</u>		
<b>Statutory:</b>					
Valuation Adjustments	1,500	-	-		
Provision for Doubtful accounts	-	1,909	2,151		
Provision for Vacation Pay	-	426	609		
	<u>\$ 914,895</u>	<u>\$ 900,760</u>	<u>\$ 805,470</u>		

- (a) The Department receives Freedom of Information and Protection of Privacy and information technology services from the Ministry of Employment, Immigration and Industry.
- (b) The Department provides operational human resources services to the Ministry of Seniors and Community Supports, and Ministry of Employment, Immigration and Industry. Costs incurred by the Department for these services are recovered from the Ministry of Seniors and Community Supports, and Ministry of Employment, Immigration and Industry.

**DEPARTMENT OF CHILDREN'S SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Budget – Schedule 3**

Year ended March 31, 2007

(IN THOUSANDS)

	2006 - 2007 Estimates (a)	Adjustments	2006 - 2007 Budget	Authorized Supplementary	2006- 2007 Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 49,500	\$ -	\$ 49,500	\$ -	\$ 49,500
Transfers from the Government of Canada	277,827	-	277,827	-	277,827
Other	5,500	-	5,500	-	5,500
	<u>332,827</u>	<u>-</u>	<u>332,827</u>	<u>-</u>	<u>332,827</u>
<b>Expenses - Directly Incurred:</b>					
Voted					
Ministry Support Services	15,088	-	15,088	-	15,088
Promoting the Development and Well-Being of Children, Youth and Families	405,633	-	405,633	-	405,633
Keeping Children, Youth and Families Safe and Protected	434,585	-	434,585	-	434,585
Promoting Healthy Communities for Children, Youth and Families	14,925	-	14,925	-	14,925
Program Support	43,164	-	43,164	-	43,164
	<u>913,395</u>	<u>-</u>	<u>913,395</u>	<u>-</u>	<u>913,395</u>
Statutory					
Valuation adjustments	1,500	-	1,500	-	1,500
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Total Expenses</b>	<b><u>914,895</u></b>	<b><u>-</u></b>	<b><u>914,895</u></b>	<b><u>-</u></b>	<b><u>914,895</u></b>
<b>Net Operating Results</b>	<b><u>\$ (582,068)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (582,068)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (582,068)</u></b>
<b>Equipment/Inventory Purchases</b>	<b><u>\$ 3,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,500</u></b>

(a) The 2006-07 Estimates amount reflects a transfer of \$125 for emerging capital purposes to the Ministry of Children's Services pursuant to the Appropriation Act 2006, section 5 (1)(a) from the Ministry of Infrastructure and Transportation (Treasury Board Minute 23/2006).

**DEPARTMENT OF CHILDREN'S SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Comparison of Expenses – Directly Incurred, EIP and Capital**  
**Investment and Statutory Expenses by Element to Authorized Budget**  
**Schedule 4**

Year ended March 31, 2007

	(in thousands)						Unexpended (Over Expended)
	2006 - 2007 Estimates	2006-2007 Adjustments	2006-2007 Budget	Authorized Supplementary	2006-2007 Authorized Budget	2006-2007 Actual (a)	
<b>Voted Expense, EIP and Capital Investments</b>							
<b>Ministry Support Services</b>							
Minister's Office	\$ 304	\$ -	\$ 304	\$ -	\$ 304	\$ 297	\$ 7
Deputy Minister's Office	385	-	385	-	385	400	(15)
Communications Services	620	-	620	-	620	739	(119)
Corporate Administration	13,779	-	13,779	-	13,779	13,414	365
	15,088	-	15,088	-	15,088	14,850	238
<b>Promoting the Development and Well-Being of Children, Youth and Families</b>							
Child Care	146,985	-	146,985	-	146,985	122,424	24,561
Family Support for Children with Disabilities	91,585	-	91,585	-	91,585	93,127	(1,542)
Family and Community Support Services	68,232	-	68,232	-	68,232	67,436	796
Early Intervention	38,302	-	38,302	-	38,302	31,985	6,317
Prevention of Family Violence and Bullying (b)	32,535	-	32,535	-	32,535	34,049	(1,514)
Parenting Resources Initiative	17,087	-	17,087	-	17,087	16,888	199
Fetal Alcohol Spectrum Disorder Initiatives	5,551	-	5,551	-	5,551	5,334	217
Youth in Transition	5,356	-	5,356	-	5,356	5,020	336
	405,633	-	405,633	-	405,633	376,263	29,370
<b>Keeping Children, Youth and Families Safe and Protected</b>							
Child Intervention Services	423,441	-	423,441	-	423,441	440,456	(17,015)
Protecting Children from Sexual Exploitation	6,200	-	6,200	-	6,200	6,380	(180)
Child and Youth Advocate	4,944	-	4,944	-	4,944	5,781	(837)
	434,585	-	434,585	-	434,585	452,617	(18,037)
<b>Promoting Healthy Communities for Children, Youth and Families</b>							
Community Initiatives	11,250	-	11,250	-	11,250	10,256	994
Child and Family Research	2,000	-	2,000	-	2,000	2,000	-
Alberta's Promise	1,675	-	1,675	-	1,675	1,823	(148)
	14,925	-	14,925	-	14,925	14,079	846
<b>Program Support</b>							
Program Delivery Support	41,907	-	41,907	-	41,907	38,664	3,243
Amortization of Capital Assets	1,257	-	1,257	-	1,257	1,952	(695)
	43,164	-	43,164	-	43,164	40,616	2,548
<b>Equipment/Inventory Purchases</b>							
	3,500	-	3,500	-	3,500	2,909	591
	<b>916,895</b>	-	<b>916,895</b>	-	<b>916,895</b>	<b>901,334</b>	<b>15,561</b>
<b>Statutory Expenses:</b>							
Valuation Adjustments and Other Provisions	1,500	-	1,500	-	1,500	2,335	(835)
	<b>\$ 918,395</b>	-	<b>\$ 918,395</b>	-	<b>\$ 918,395</b>	<b>\$ 903,669</b>	<b>\$ 14,726</b>

(a) Includes achievement bonus amounting to \$1,225.

(b) The 2006-07 Estimates amount reflects a transfer of \$125 for emerging capital purposes to the Ministry of Children's Services pursuant to the Appropriation Act 2006, section 5 (1)(a) from the Ministry of Infrastructure and Transportation (Treasury Board Minute 23/2006).

DEPARTMENT OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure – Schedule 5**

Year ended March 31, 2007

	(IN THOUSANDS)						2006	
	2007		Other Cash		Other Non-Cash			
	Base Salary <sup>(1)</sup>	Other Benefits <sup>(2)</sup>	Benefits <sup>(2)</sup>	Benefits <sup>(3)</sup>	Total	Total		
<b>Senior Officials</b>								
Deputy Minister <sup>(4)</sup>	\$ 206	\$ 45	\$ 43	\$ 294	\$ 279	\$ 279		
Child and Youth Advocate	124	19	8	151	147	147		
<b>Executives</b>								
Assistant Deputy Ministers								
Ministry Support Services <sup>(5)</sup>	147	29	32	208	195	195		
Program Quality & Standards <sup>(6)</sup>	145	25	33	203	206	206		
Community Strategies & Support Services	147	28	35	210	189	189		
Executive Director, Prevention of Family Violence and Bullying	128	21	30	179	165	165		

**Prepared in accordance with Treasury Board Directive 03/2004**

- (1) Base salary includes regular base pay.
- (2) Other cash benefits include bonuses, vacation payouts, and lump sum payments.
- (3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.
- (5) Assistant Deputy Minister transferred to Executive Council. Bonus amount was paid by the Executive Mobility Program.
- (6) The position was occupied by two individuals through the year.

**DEPARTMENT OF CHILDREN'S SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions – Schedule 6**

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Internal Government Transfers	\$ -	\$ -	\$ 49,500	\$ 34,000
Other	- -	- -	- -	5
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,500</b>	<b>\$ 34,005</b>
<b>Expenses:</b>				
Child and Family Services Authorities	\$ 680,865	\$ 611,555	\$ -	\$ -
Ministry of Service Alberta	- -	- -	4,730	9,144
Ministry of Executive Council	- -	- -	- -	13
Ministry of Alberta Infrastructure and Transportation	- -	- -	1	12
Ministry of Finance	- -	- -	1,214	851
Ministry of Employment, Immigration and Industry	- -	- -	- -	115
Ministry of Health & Wellness	- -	- -	- -	100
Ministry of Health & Wellness - Health Authorities	- -	- -	93	321
Ministry of Advanced Education - Post Secondary	- -	- -	219	57
Ministry of Education - School Divisions	- -	- -	167	209
	<b>\$ 680,865</b>	<b>\$ 611,555</b>	<b>\$ 6,424</b>	<b>\$ 10,822</b>
<b>Tangible Capital Assets</b>				
Transferred to Ministry of Service Alberta	\$ -	\$ -	\$ (695)	\$ -
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (695)</b>	<b>\$ -</b>
<b>Receivable from/payable to</b>				
Child and Family Services Authorities	\$ (14,546)	\$ (17,525)	\$ -	\$ -
Ministry of Service Alberta	- -	- -	(695)	- -
Ministry of Advanced Education and Technology	- -	- -	- -	43
Ministry of Health & Wellness - Health Authorities	- -	- -	- -	(21)
Ministry of Employment, Immigration and Industry	- -	- -	- -	(99)
	<b>\$ (14,546)</b>	<b>\$ (17,525)</b>	<b>\$ (695)</b>	<b>\$ (77)</b>

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

**Expenses - Incurred by Others**

Accommodation  
 Legal Services  
 Internal Audit  
 Administrative  
 Air Transportation

(IN THOUSANDS)			
Other Entities		2006	
2007	(Restated-Note 3)	2007	2006
\$ 1,685	\$ 1,511	\$ 1,685	\$ 1,511
550	809	550	809
30	3	30	3
1,205	1,083	1,205	1,083
121	22	121	22
<b>\$ 3,591</b>	<b>\$ 3,428</b>	<b>\$ 3,591</b>	<b>\$ 3,428</b>

DEPARTMENT OF CHILDREN'S SERVICES  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs – Schedule 7**

Year ended March 31, 2007

Program	(IN THOUSANDS)											(Restated - Note 3 Total Expenses)	
	2007						2006						
	Expenses <sup>(1)</sup>		Accommodation Costs <sup>(2)</sup>		Expenses - Incurred by Others		Valuation Adjustments <sup>(5)</sup>		Total Expenses				
	Expenses <sup>(1)</sup>	Costs <sup>(2)</sup>	Accommodation	Legal Services <sup>(3)</sup>	Internal Audit	Air Transportation	Administrative Costs <sup>(4)</sup>	Vacation Pay	Doubtful Accounts	Total Expenses			
Ministry Support Services	\$ 14,850	\$ 390	\$ -	\$ -	\$ 7	\$ 121	\$ 279	\$ 99	\$ -	\$ 15,746		\$ 15,118	
Promoting the Development and Well-Being of Children, Youth and Families	376,263	295	-	-	5	-	211	75	-	376,849		320,496	
Keeping Children, Youth and Families Safe and Protected	452,617	575	550	-	10	-	411	145	-	454,308		419,433	
Promoting Healthy Communities for Children, Youth and Families	14,079	95	-	-	2	-	68	24	-	14,268		12,237	
Program Support	40,616	330	-	-	6	-	236	83	1,909	43,180		41,615	
	<b>\$ 898,425</b>	<b>\$ 1,685</b>	<b>\$ 550</b>	<b>\$ 30</b>	<b>\$ 121</b>	<b>\$ 1,205</b>	<b>\$ 426</b>	<b>\$ 1,909</b>	<b>\$ 904,351</b>	<b>\$ 808,899</b>			

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure and Transportation, represent the Department's buildings costs allocated by the number of employees per program.

(3) Costs for Legal Services, which were paid by the Ministry of Justice and Attorney General, were allocated in proportion to the expenses incurred by each program.

(4) Administrative costs represents human resource, finance, business and corporate services provided by the Department of Service Alberta for which no consideration was exchanged. Costs were allocated by the number of Department Employees per program.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.

## Other Information

# Children's Services Statement of Remissions, Compromises and Write-Offs

**YEAR ENDED MARCH 31, 2007**

The following statement has been prepared pursuant to section 23 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs the Ministry of Children's services made or approved during the fiscal year.

	(IN THOUSANDS)
	<u>2007</u>
Remissions under section 21 of the <i>Financial Administration Act</i> .	_____ -
Compromises under section 22 of the <i>Financial Administration Act</i> .	_____ -
Bankruptcies	_____ 14
Write-offs:	
First Nations Recovery	491
Foster Parents Program	264
Bursary Program	24
	<u>779</u>
<b>Total</b>	<b>\$ <u>793</u></b>



# Appendices

## Appendices

## APPENDIX 1

# Glossary of Terms and Acronyms

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## Glossary of Terms

**Alberta's Promise** – a public-private partnership dedicated to finding new and better ways of working together to direct more resources to benefit Alberta's children and youth.

**Adoption** – permanent, family, legal guardianship resting with adoptive parents. Contact with birth family is dictated by terms of adoption, which may be open or closed.

**Annual Report** – a document produced by government ministries to report on progress made during a fiscal year and measure the performance of all organizational facets against goals set out in the Ministry business plan.

**Business Plan** – a strategic document created to give an organization direction by presenting a clear vision of its overall goals and how performance will be measured.

**Children in Care** – children determined to be in need of intervention, requiring protective out-of-home placement, as determined by provincial legislation.

**Child Protection Services** – delegated authorities empowered to provide mandated intervention based on legislated definitions of children in need of protection. For example, these children may be exposed to maltreatment, neglect and/or suspected/confirmed child abuse.

**Differential Response** – an approach to case management that provides early identification of vulnerable children and families and mobilization of support services before a crisis occurs to help more parents fulfil their natural role as caregivers for their children.

**Early Childhood Development Strategy (ECD)** – an initiative to provide a range of health, social and learning programs and services for parents, families and children from preconception to age six. The initiative strives to ensure children get the best start in life, as well as strengthen parents' capacity to meet their children's needs and promote optimal child development.

**Family and Community Support Services (FCSS)** – an 80/20 funding partnership between the province and municipalities and Métis Settlements that enables communities to design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities.

**Family Enhancement Services** – services and supports provided to a family enabling it to continue to care for its children in the home. These services are used when the family is motivated to address the issues impacting the family situation. Family enhancement services can also be provided to youth (16 years of age or older) who are living independently from their family and who have been assessed to be in need of intervention services.

**Fetal Alcohol Spectrum Disorder (FASD)** – refers to a range of physical changes and brain damage associated with fetal exposure to alcohol during pregnancy.

**Foster Care** – care and supervision of a child in care by someone other than a parent or guardian. CFSAs must approve and arrange foster care.

**Group Care** – staff-based group care, usually limited to six to nine residents in a home or facility.

**Home Visitation** – an ECD program providing one-on-one support in the family home to enhance parenting skills, provide child development information, promote child health and other aspects of positive family functioning.

**Kinship Care** – when extended family or someone with a significant relationship to a child provides for a child as arranged through a child protection service provider.

**Permanency** – a main objective of Children's Services is to see children who are in permanent government care become adopted or become the subject of a Private Guardianship Order, as quickly as possible, to ensure a stable, nurturing family environment.

**Permanency Planning** – a goal-oriented, systematic process for placing children in suitable family settings as quickly as possible.

## Glossary of Acronyms

<b>ACYI</b>	Alberta Children and Youth Initiative
<b>AADAC</b>	Alberta Alcohol and Drug Abuse Commission
<b>CARS</b>	Capital and Accommodations Request System
<b>CEO</b>	Chief Executive Officer
<b>CFSA</b>	Child and Family Services Authority
<b>CPEF</b>	Community Partnership Enhancement Fund
<b>CYIM</b>	Child Youth Information Module
<b>DECA</b>	<i>Drug-endangered Children Act</i>
<b>DFNA</b>	Delegated First Nations Agency
<b>ECD</b>	Early Childhood Development Strategy
<b>FASD</b>	Fetal Alcohol Spectrum Disorder
<b>FCSS</b>	Family and Community Support Services
<b>FSCD</b>	Family Support for Children with Disabilities
<b>LRCY</b>	Legal Representation for Children and Youth
<b>MAD</b>	<i>Making a Difference</i> (outcome evaluation system)
<b>MLA</b>	Member of Legislative Assembly
<b>PAFVA</b>	<i>Protection Against Family Violence Act</i>
<b>PChIP</b>	Protection of Children Involved in Prostitution
<b>PLC</b>	Parent Link Centre

## Performance Measures - Data Sources and Methodology

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### Data Sources

**Child Care Information System (CCIS)** – contains all pertinent information about Alberta's licensed social care facilities, including licensed and approved day care centres, contracted family day home agencies and direct care providers. Child care specialists use this system to maintain current information about the licensing and monitoring of all licensed and approved child care programs, including day care centres and family day home agencies and providers. CCIS also contains all data related to the Child Care Subsidy Program, Child Care Accreditation Funding Program, Staff Qualification Program, Claims Process, Licensing and Family Day Home Program. The CCIS system provides the data for measure 1B.

**Child Youth Information Module (CYIM)** – an information system designed to assist with case management. The system provides client-tracking capability (e.g., outcome of investigations, placement type, legal authority, etc.) as well as documentation support for the programs under the former *Child Welfare Act* and the current *Child, Youth and Family Enhancement Act*: child protection, adoptions, placement resources, unmarried parents, post-adoption support, family enhancement and protection of children involved in prostitution (*Protection of Children Involved in Prostitution Act*). CYIM is the data source for a number of the performance measures. The CYIM system provides the data for measures 3A, 3B, 3C, 3D, 4A, 4B, and 5B.

### Methodology

**Performance Measure 1A: Percentage of expenditures in the children/youth project and service category of Family and Community Support Services –** Each year, participating municipalities and Métis Settlements must submit reports with financial information and a list of projects and services receiving funding. Projects are identified within numerous service categories, including children/youth, families, adults, seniors and community development. The FCSS Regulation requires participating municipalities to submit these reports to the Ministry within 120 days (or four months) of the end of the municipality's fiscal year. Municipalities operate on a calendar year and were required to submit 2005 reporting by April 30, 2006. Métis Settlements operate on a fiscal year and were required to submit 2005-06 reporting by July 29, 2006. During the reporting period, a total of 300 municipalities and Métis Settlements, organized within 196 local programs, provided FCSS services throughout Alberta. Data contained in this report are based on information received from each of these programs. A total of seven projects and services categories is used to report FCSS activities including: Children/Youth (Category A), Families (Category B), Adults (Category C), Seniors (Category D), Community Development (E), Grant Transfers (F) and FCSS Management (Category G).

**Performance Measure 1B: Percentage of licensed day care centres and contracted family day home agencies that are accredited** – The result for this measure is based on the number of licensed or approved day care centres and contracted family day home agencies accredited on March 31, 2007. On March 31, 2007, there were 460 eligible day care centres and 84 contracted family day home agencies, for a total of 544 programs in the province. Of these, 168 were accredited and one program closed, resulting in a total of 167 accredited child care programs. The Alberta Association for the Accreditation of Early Learning and Care Services accredits eligible day care centres and family day home agencies in Alberta. Day care centres located on reserve are not included in this measure, because they are not required to meet provincial legislation and are not eligible for accreditation. Child care programs flagged as "high priority," or not meeting current licensing standards, are also not eligible for accreditation/pre-accreditation funding. "Approved on-base" facilities are eligible for accreditation and accreditation grant funding. Data from 2005-06 have been restated to reflect these changes in eligibility criteria, adding "approved on-base" facilities and excluding "high priority" day care centres. As a result, the percentage of accredited day care centres for 2005-06 increased slightly from 16.5 to 16.7 per cent.

**Performance Measure 1C: Percentage of families accessing the Family Support for Children with Disabilities program that indicate positive impacts** – This measure result is obtained through a survey of families receiving services from the FSCD program at the end of the fiscal year. For the initial baseline survey, the complete population of families was surveyed instead of a random sample. Additional call-backs were used for a random sample of the population in smaller regions to increase the response rate and ensure regional representation.

All families were mailed a copy of the survey instrument. Families were provided the opportunity to respond either by mail, fax, online through a secure Internet site, or by telephone. A 40 per cent response rate was achieved.

Since this baseline survey was a census, there is no sampling error. Future surveys will be based on a random sample of families. Since additional call-backs were made to increase the response rate for rural regions (often termed over-sampling), the results are weighted back to the original regional distribution of families for reporting the provincial result.

**Performance Measure 2A: Percentage of adults staying at government-funded women's emergency shelters who report they are better able to keep themselves and the children under their care safer from abuse** – This measure results from an exit survey conducted of all abused women at the end of their stay in Ministry-funded women's emergency shelters. The survey was conducted between April 1, 2006, and March 31, 2007. A total of 4,777 abused women, with or without dependants, were admitted to, and discharged from, 31 contracted women's emergency shelters across the province. Of those women, 4,075 provided responses to the survey questionnaire. Respondents are not necessarily 'unique individuals', that is, if a woman visited a shelter more than once in the survey period, she may have completed the survey more than once. Respondents can fill out the survey before leaving the shelter or return their surveys by fax or mail. A self-addressed envelope is provided by the shelters to encourage higher response rates.

**Performance Measure 2B: Percentage of families accessing Ministry programs that indicate positive impacts for their children: foster care, adoption and child care subsidy** – This measure involves three surveys conducted every two years on a given program/service in order to reduce cost and response burden. Surveys are contracted to an external consultant and are designed to meet rigorous standards associated with survey methodology.

*Foster Care Program Survey* – This survey was a mail-out/telephone follow-up survey whereby respondents had the choice to complete the questionnaire on paper or over the telephone. Postage-paid return envelopes were included with the introductory letter to facilitate individuals who chose to complete the hard copy of the survey. It was conducted between January 8, 2007 and March 3, 2007. Foster Care program clients are defined as foster families or applicants who were in the CYIM database as of November 2006. A census survey was used for seven CFSAs where client numbers were not large enough to warrant sampling procedures. In three CFSAs, Regions 3, 4 and 6, random samples of clients were selected. The valid response rate for the foster care program survey was 76.6 per cent. Out of a valid sample of 1,682 surveys, 1,288 were completed. The overall margin of error for the survey is  $\pm 1.6$  per cent, 19 times out of 20.

*Adoption Program Survey* – This survey was conducted by telephone between January 8, 2007 and February 2, 2007. Adoption program respondents were defined as individuals who had either submitted an application and were on the waiting list, were awaiting a home assessment, or whose application had been approved to adopt a child. Applicants were identified through the CYIM database in October 2006. Out of a possible 560 clients, 339 surveys were completed, resulting in a valid response rate of 60.5 per cent. Due to small client numbers, data were not collected at the regional level for this survey. The overall margin of error for this survey is  $\pm 3.6$  per cent, 19 times out of 20.

*Child Care Subsidy Program Survey* – This survey was conducted by telephone between January 8, 2007, and March 7, 2007. Child care subsidy program clients surveyed were those who received subsidies for their children to attend Alberta child care facilities. Clients were identified through the CCIS database in November 2006. A census survey was used for two CFSAs where client numbers were not large enough to warrant sampling procedures. In seven CFSAs, random samples of clients were selected. The Métis Settlements CFSAs did not participate in the survey, as there are no child care centres in that region. Out of a valid sample of 4,233 surveys, 1,926 were completed, resulting in a valid response rate of 45.5 per cent. The margin of error for the survey is  $\pm 2.0$  per cent, 19 times out of 20.

**Performance Measure 3A: Percentage of children who suffer injury that results in hospitalization or death while receiving protective services** – This measure is derived from CYIM data and is calculated by dividing the number of children receiving protection services during a specified time period into the number of children receiving protective services who experience an injury that resulted in the child requiring hospitalization or in the child dying from the injury. The caseworker is required to report information on this measure at three points in the case management process: investigation, completing an information consolidation, and file closure. At each point the worker is prompted to enter information about this measure, if applicable. The question posed to the worker at the time of prompt is, "Did the child sustain an injury that resulted in hospitalization or death?" An affirmative response on CYIM to this question is made when death has occurred or hospital admission has taken place as a result of an injury. All CYIM results for this measure are manually checked against the relevant case records to ensure accuracy of the result reported in CYIM.

**Performance Measure 3B: Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment** – When information is received regarding a child who may be in need of intervention services, information is gathered and assessed to determine if the information is accurate, assess the current situation and plan for how to best address the concern. If the information gathered through this process indicates that a child may have been abused or neglected, this is considered an incident of maltreatment. For this measure, maltreatment includes a wide range of situations from physical abuse by the parent to inadequate supervision of the child. In keeping with the aim of keeping children protected and recognizing the family is the basic unit of society and should be supported and preserved, decisions are made on whether the family requires further involvement of child intervention services and what form that involvement will take.

**Supplemental Performance Measure 3C and 3D: Number of children in the permanent care of the Director, who are adopted; for whom Private Guardianships are granted** – The *Child, Youth and Family Enhancement Act* increased the supports available to families who adopted children as well as those where a family was granted private guardianship. The supports for permanency program was introduced in 2005 and continues to be improved to ensure the necessary supports were in place to encourage and maintain permanent homes for these children. Private Guardianship Orders are typically sought by families that have significant relationships with the child or the natural family. A child does not have to be in permanent care to be placed permanently through private guardianship and with the changes to the supports for permanency program, there was a significant increase in the number of Private Guardianship Orders granted for all children involved in intervention services in 2005-06. In addition to the exceptional number in 2005-06, changes were made to the supports for permanency program in 2006-07, and the numbers in that program significantly increased.

**Performance Measure 4A: Percentage of Aboriginal children who suffer injury that results in hospitalization or death while receiving protective services** – This measure is calculated by dividing the number of Aboriginal children receiving protective services during a specified time period into the number of Aboriginal children receiving protective services who experience an injury that resulted in the child requiring hospitalization or in the child dying from the injury. Since this measure is a subset of the data for measure 3A, details of the process are the same as measure 3A.

**Performance Measure 4B: Percentage of Aboriginal children in foster care who are placed with Aboriginal families** – This measure looks at the placement of Aboriginal children in foster homes that have an Aboriginal background and provides one indicator of achieving the outcome "Aboriginal children, youth and families receive culturally appropriate services." In CYIM, an Aboriginal foster care family is determined when either the foster care home is denoted as Aboriginal or caregiver's racial origin is identified as Aboriginal.

**Supplemental Performance Measure 4B: Percentage of Aboriginal children in foster care or kinship care who are placed with Aboriginal families** – The placement of children in a kinship care home (with extended family members or others who have a significant relationship with the child) appears to be a preferred option for Aboriginal families. In response to feedback provided by DFNAs and the communities they serve, Alberta Children's Services expanded the definition of kinship care and established a standardized reimbursement rate for kinship caregivers in December 2005. This new rate includes the basic maintenance rate paid to foster parents and the \$2.60 per diem respite allowance. As a result of these changes, the proportionate number of Aboriginal children placed in kinship care has increased, while the number of Aboriginal children placed in foster care has decreased. The methodology for this measure is the same as measure 4B, with the addition of kinship care placement in the calculation.

**Performance Measure 5A: Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families** – A community partners survey was conducted through telephone interviews between February 5, 2007, and March 20, 2007. This survey is conducted every two years by an external contractor. The result reported is in response to the question: "Thinking about the past 12 months, would you say you strongly agree, agree, disagree or strongly disagree that, overall, there has been an increase in your community's ability to meet the needs of children, youth and families?" The responses "strongly agree" and "agree" have been combined.

Community partners were defined as stakeholders, who co-ordinate with their respective CFSAs in serving children, youth and families within their community, or agencies contracted to the CFSAs to facilitate co-ordination of service delivery. Each of the 10 participating CFSAs was asked to provide an extensive listing of such partners. Out of a total of 746 identified partners, 540 telephone surveys were completed, representing a 72 per cent response rate. Response rates for the CFSAs ranged from 66 per cent to 81 per cent. The margin of error for this survey is estimated to be ±2.2 per cent, 19 times out of 20.

**Performance Measure 5B: Percentage of children and youth who received family enhancement services and afterwards did not require protective services** –

The methodology is based on calculations of CYIM data as follows: all of the child's ID numbers with an activity of FE Closed (FE= family enhancement) are tracked from April 1, 2006, to March 31, 2007, inclusive to determine if any of the same ID numbers ended up anytime during the period of 12 months from the date of the FE closure to an opened file under protection services. Assurance for data completeness results from case management practice that a child protection case may only be opened after the child's family enhancement file, if applicable, has been closed. A child cannot receive services under both Family Enhancement and Protection Services at the same time.

## APPENDIX 3

### Appeal Panels

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The Minister appoints citizens to appeal panels, which hear appeals under the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*.

The following is a summary of appeal decisions for 2006-07, organized according to the Acts under which the appeals were heard:

#### 2006-07 Appeals

##### **ENHANCEMENT**

April 1, 2006 – March 31, 2007

Number Received	44
Reversed	3
Confirmed	6
Varied	1
Withdrawn/Abandoned	16
No Jurisdiction	10
Hold/Pending	8

##### **FAMILY SUPPORT FOR CHILDREN WITH DISABILITIES**

April 1, 2006 – March 31, 2007

Number Received	30
Reversed	8*
Confirmed	4
Varied	2*
Withdrawn/Abandoned	3
No Jurisdiction	0
Hold/Pending	14

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One appeal resulted in two different outcomes.

#### APPENDIX 4

## Child and Family Services Authorities Directory

### As of August 1, 2007

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#### **Southwest Alberta Child and Family Services** – Region 1

107 Palliser Centre, 3305 – 18 Avenue North  
Lethbridge, AB T1H 5S1  
Phone: (403) 381-5543  
Fax: (403) 381-5608  
CEO: Sharon Brokop  
Co-Chair: Harley Phillips  
Co-Chair: Dr. Lloyd Cavers

#### **Southeast Alberta Child and Family Services** – Region 2

101 Floor, Provincial Building, 346 – 3rd Street SE  
Medicine Hat, AB T1A 0G7  
Phone: (403) 529-3753  
Fax: (403) 528-5244  
CEO: Bryan Heninger  
Co-Chair: Heather Rann  
Co-Chair: Ken Serr

#### **Calgary and Area Child and Family Services** – Region 3

300, 1240 Kensington Road NW  
Calgary, AB T2N 3P7  
Phone: (403) 297-2601  
Fax: (403) 297-7214  
CEO: Bonnie Johnston  
Co-Chair: Gerrad Oishi  
Co-Chair: John Phillips

#### **Central Alberta Child and Family Services** – Region 4

3rd Floor, Bishop Place, 4826 Ross Street  
Red Deer, AB T4N 1X4  
Phone: (403) 341-8642  
Fax: (403) 341-8654  
CEO: Mark Hattori (Norman Welch, Acting)  
Co-Chair: Ron Kenworthy  
Co-Chair: Lorraine White

#### **East Central Alberta Child and Family Services** – Region 5

Box 300, 4811 – 49th Avenue  
Killam, AB T0B 2L0  
Phone: (780) 385-7160  
Fax: (780) 385-7163  
CEO: Brian Holden, Acting  
Co-Chair: Lois Byers  
Co-Chair: Corrine Miller

**Edmonton and Area Child and Family Services – Region 6**

7th Floor, Oxbridge Place, 9820 - 106 Street  
Edmonton, AB T5K 2J6  
Phone: (780) 422-3355 or 427-2250  
Fax: (780) 422-6864  
CEO: Rick Semel  
Co-Chair: Archie Arcand  
Co-Chair: Dr. Dick Frey

**North Central Alberta Child and Family Services – Region 7**

2nd Floor, Administrative Building, 5143 – 50 Street  
Barhead, AB T7N 1A6  
Phone: (780) 305-2440  
Fax: (780) 305-2444  
CEO: Joni Brodziak, Acting  
Co-Chair: Brian Broughton  
Co-Chair: Audrey Franklin

**Northwest Alberta Child and Family Services – Region 8**

3001, Provincial Building, 10320 – 99 Street  
Grande Prairie, AB T8V 6J4  
Phone: (780) 538-5122  
Fax: (780) 538-5137  
CEO: Carole Anne Patenaude  
Co-Chair: Judy Ostrowski  
Co-Chair: Cindy Nylander

**Northeast Alberta Child and Family Services – Region 9**

4th Floor, Provincial Building, 9915 Franklin Avenue  
Fort McMurray, AB T9H 2K4  
Phone: (780) 743-7461  
Fax: (780) 743-7474  
CEO: Ron Benson  
Co-Chair: Bill Clark  
Co-Chair: Rhonda Reich

**Métis Settlements Child and Family Services – Region 10**

210, 10335 – 172 Street  
Edmonton, AB T5S 1K9  
Phone: (780) 427-1033  
Fax: (780) 415-0177  
CEO: Lillian Parenteau  
Co-Chair: Sharon Anderson  
Co-Chair: Floyd Thompson, Acting

## APPENDIX 5

# Alphabetical List of Government Entities' Financial Statements

## Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Access to the Future Fund <sup>1</sup>	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund <sup>2</sup>	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation <sup>3</sup>	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing

Established July 10, 2005

Proclaimed May 31, 2006

Incorporated December 16, 2005

<b>MINISTRY, DEPARTMENT, FUND OR AGENCY</b>	<b>MINISTRY ANNUAL REPORT</b>
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branch	Finance
ATB Insurance Advisors Inc. <sup>4</sup>	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	
Calgary and Area Child and Family Services Authority	Children's Services
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Credit Union Deposit Guarantee Corporation	Finance
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development

<sup>4</sup>Incorporated July 12, 2006

**MINISTRY, DEPARTMENT, FUND OR AGENCY**

Department of Tourism, Parks, Recreation and Culture  
 Environmental Protection and Enhancement Fund  
 Gainers Inc.  
 Government House Foundation  
 Historic Resources Fund  
 Human Rights, Citizenship and Multiculturalism Education Fund  
 iCORE Inc.  
 Lottery Fund  
 Ministry of Advanced Education and Technology  
 Ministry of Agriculture and Food  
 Ministry of Children's Services  
 Ministry of Education  
 Ministry of Employment, Immigration and Industry<sup>5</sup>  
 Ministry of Energy  
 Ministry of Environment<sup>5</sup>  
 Ministry of Executive Council<sup>5</sup>  
 Ministry of Finance  
 Ministry of Health and Wellness  
 Ministry of Infrastructure and Transportation<sup>5</sup>  
 Ministry of International, Intergovernmental and Aboriginal Relations<sup>5</sup>  
 Ministry of Justice<sup>5</sup>  
 Ministry of Municipal Affairs and Housing  
 Ministry of Seniors and Community Supports  
 Ministry of Service Alberta<sup>5</sup>  
 Ministry of Solicitor General and Public Security  
 Ministry of Sustainable Resource Development

**MINISTRY ANNUAL REPORT**

Tourism, Parks, Recreation and Culture  
 Sustainable Resource Development  
 Finance  
 Tourism, Parks, Recreation and Culture  
 Tourism, Parks, Recreation and Culture  
 Tourism, Parks, Recreation and Culture  
 Advanced Education and Technology  
 Solicitor General and Public Security  
 Advanced Education and Technology  
 Agriculture and Food  
 Children's Services  
 Education  
 Employment, Immigration and Industry  
 Energy  
 Environment  
 Executive Council  
 Finance  
 Health and Wellness  
 Infrastructure and Transportation  
 International, Intergovernmental and Aboriginal Relations  
 Justice  
 Municipal Affairs and Housing  
 Seniors and Community Supports  
 Service Alberta  
 Solicitor General and Public Security  
 Sustainable Resource Development

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<sup>5</sup>Ministry includes only the departments so separate departmental financial statements are not necessary.

**MINISTRY, DEPARTMENT, FUND OR AGENCY**

Ministry of Tourism, Parks, Recreation and Culture  
Ministry of the Treasury Board<sup>5</sup>  
N.A. Properties (1994) Ltd.  
Natural Resources Conservation Board  
Persons with Developmental Disabilities  
Community Boards:  
    Calgary Region Community Board  
    Central Region Community Board  
    Edmonton Region Community Board  
    Northeast Region Community Board  
    Northwest Region Community Board  
    South Region Community Board  
Persons with Developmental Disabilities Provincial Board<sup>6</sup>  
Provincial Judges and Masters in Chambers Reserve Fund  
Safety Codes Council  
Supplementary Retirement Plan Reserve Fund  
Victims of Crime Fund  
Wild Rose Foundation

**MINISTRY ANNUAL REPORT**

Tourism, Parks, Recreation and Culture  
Treasury Board  
Finance  
Sustainable Resource Development  
Seniors and Community Supports  
Seniors and Community Supports  
Finance  
Municipal Affairs and Housing  
Finance  
Solicitor General and Public Security  
Tourism, Parks, Recreation and Culture

<sup>5</sup>Ministry includes only the departments so separate departmental financial statements are not necessary.

<sup>6</sup>Ceased operations June 30, 2006.

## Entities Not Included in the Consolidated Government Reporting Entity

<b>Alberta Foundation for Health Research</b>	<b>Advanced Education and Technology</b>
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Employment, Immigration and Industry
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Employment, Immigration and Industry
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

## Schools, Universities, Colleges and Hospitals Included in the Consolidated Government Reporting Entity on a Modified Equity Basis<sup>7</sup>

SCHOOL BOARDS AND SCHOOLS	MINISTRY ANNUAL REPORT
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education

The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results are included in one line on the ministry's consolidated statements of financial position and operations, respectively. The subsidiaries of the schools, universities, colleges and hospitals, if any, are not currently included in this listing.

## SCHOOL BOARDS AND SCHOOLS

## MINISTRY ANNUAL REPORT

Evergreen Catholic Separate Regional Division No. 2	Education
FFCA Charter School Society	Education
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray Public School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education

**SCHOOL BOARDS AND SCHOOLS**

Medicine Hat Catholic Separate Regional Division No. 20  
 Medicine Hat School District No. 76  
 Moberly Hall School Society  
 Mother Earth's Children's Charter School Society  
 New Horizons Charter School Society  
 Northern Gateway Regional Division No. 10  
 Northern Lights School Division No. 69  
 Northland School Division No. 61  
 Northwest Francophone Education Region No. 1  
 Palliser Regional Division No. 26  
 Parkland School Division No. 70  
 Peace River School Division No. 10  
 Peace Wapiti School Division No. 76  
 Pembina Hills Regional Division No. 7  
 Prairie Land Regional Division No. 25  
 Prairie Rose School Division No. 8  
 Red Deer Catholic Regional Division No. 39  
 Red Deer Public School District No. 104  
 Rocky View School Division No. 41  
 St. Albert Protestant Separate School District No. 6  
 St. Paul Education Regional Division No. 1  
 St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38  
 Sturgeon School Division No. 24  
 Suzuki Charter School Society  
 Westmount Charter School Society

**MINISTRY ANNUAL REPORT**

Education  
 Education

**SCHOOL BOARDS AND SCHOOLS**

Westwind School Division No. 74  
Wetaskiwin Regional Division No. 11  
Wild Rose School Division No. 66  
Wolf Creek School Division No. 72

**MINISTRY ANNUAL REPORT**

Education  
Education  
Education  
Education

**UNIVERSITIES**

Athabasca University  
The University of Alberta  
The University of Calgary  
The University of Lethbridge

**MINISTRY ANNUAL REPORT**

Advanced Education and Technology  
Advanced Education and Technology  
Advanced Education and Technology  
Advanced Education and Technology

**COLLEGES**

Alberta College of Art and Design  
Bow Valley College  
Grande Prairie Regional College  
Grant MacEwan College  
Keyano College  
Lakeland College  
Lethbridge Community College  
Medicine Hat College  
Mount Royal College  
NorQuest College  
Northern Lakes College  
Olds College  
Portage College  
Red Deer College

**MINISTRY ANNUAL REPORT**

Advanced Education and Technology  
Advanced Education and Technology

**TECHNICAL INSTITUTES AND THE BANFF CENTRE**

Northern Alberta Institute of Technology  
Southern Alberta Institute of Technology  
The Banff Centre for Continuing Education

**MINISTRY ANNUAL REPORT**

Advanced Education and Technology  
Advanced Education and Technology  
Advanced Education and Technology

**REGIONAL HEALTH AUTHORITIES AND PROVINCIAL  
HEALTH BOARDS**

Alberta Cancer Board  
Alberta Mental Health Board  
Aspen Regional Health Authority  
Calgary Health Region  
Capital Health  
Chinook Regional Health Authority  
David Thompson Regional Health Authority  
East Central Health  
Health Quality Council of Alberta<sup>8</sup>  
Northern Lights Health Region  
Peace Country Health  
Palliser Health Region

**MINISTRY ANNUAL REPORT**

Health and Wellness  
Health and Wellness

<sup>8</sup> Established July 1, 2006.



# Financial Statements

## Financial Statements



SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the Southwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred P. Dunn FCA  
Auditor General

Edmonton, Alberta  
April 30, 2007

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)			2006 Actual	
	2007 Budget	2007 Actual	2006 Actual		
<b>REVENUE</b>					
<b>Internal Government Transfers</b>					
Grant from the Department of Children's Services (Note 3)	\$ 34,301	\$ 35,176	\$ 32,183		
<b>Other Revenue</b>					
Recoveries - Inter-Authority Services	75	-	26		
Miscellaneous Revenue	20	334	64		
	<b>34,396</b>	<b>35,510</b>	<b>32,273</b>		
<b>EXPENSE (Schedules 1 and 4)</b>					
<b>Promoting the development and well being of children, youth and families:</b>					
Child Care	5,486	4,811	3,518		
Family Support for Children with Disabilities	5,016	5,359	4,776		
Early Intervention	1,281	1,782	1,899		
Parenting Resources Initiative	341	351	341		
Fetal Alcohol Spectrum Disorder Initiatives	70	490	405		
<b>Keeping children, youth and families safe and protected:</b>					
Child Intervention Services	20,341	20,151	19,162		
Child and Youth Support	322	317	277		
Protecting Children from Sexual Exploitation	-	229	-		
<b>Promoting healthy communities for children, youth and families:</b>					
Community Initiatives	161	122	65		
<b>Support Services:</b>					
Program Support	1,184	1,025	1,174		
Board Governance	119	137	144		
Inter-Authority Services	75	-	26		
Valuation Adjustments (Note 2)	-	78	64		
<b>TOTAL EXPENSES</b>	<b>34,396</b>	<b>34,852</b>	<b>31,851</b>		
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 658</b>	<b>\$ 422</b>		

The accompanying notes and schedules are part of these financial statements.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash	\$ 2,774	\$ 1,859
Accounts Receivable (Note 4)	1,128	1,054
	<u>\$ 3,902</u>	<u>\$ 2,913</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 2,524	\$ 2,193
<b>Net Assets</b>		
Net Assets at Beginning of Year	720	298
Net Operating Results	658	422
Net Assets at End of Year	<u>1,378</u>	<u>720</u>
	<u>\$ 3,902</u>	<u>\$ 2,913</u>

The accompanying notes and schedules are part of these financial statements.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 658	\$ 422
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	78	64
	<u>736</u>	<u>486</u>
Increase in Accounts Receivable	(88)	(26)
Increase in Accounts Payable		
and Accrued Liabilities <sup>(a)</sup>	267	205
Cash Provided by Operating Transactions	<u>915</u>	<u>665</u>
<b>Increase in Cash</b>	915	665
<b>Cash, Beginning of Year</b>	1,859	1,194
<b>Cash, End of Year</b>	<b>\$ 2,774</b>	<b>\$ 1,859</b>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 1 Authority and Purpose**

The Southwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

**Reporting Entity**

The reporting entity is the Southwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

**Basis of Financial Reporting**

***Revenues***

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

**Internal Government Transfers**

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

***Expenses***

**DIRECTLY INCURRED**

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

***Budget (In thousands)***

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$34,396 on February 23, 2006.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

***Measurement Uncertainty***  
***(In thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,128 and \$2,524 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contributions***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services**  
**(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 34,301
Additional funding for the current year	875
Grant for the year	<u>\$ 35,176</u>

**Note 4 Accounts Receivable**  
**(in thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Department of Children Services	\$ 975	\$ -	\$ 975	\$ 1,018	
Refunds from suppliers	167	14	153	36	
	<u>\$ 1,142</u>	<u>\$ 14</u>	<u>\$ 1,128</u>	<u>\$ 1,054</u>	

Accounts receivable are unsecured and non-interest bearing.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 1,346	\$ 1,256
Accrued Vacation Pay and Manpower Expense	1,018	930
Department of Children's Services	160	7
	<b>\$ 2,524</b>	<b>\$ 2,193</b>

**Note 6 Contractual Obligations**  
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	\$ 240	\$ 294

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows

	Long-term Leases
2008	\$ 95
2009	76
2010	55
2011	14

**Note 7 Contingent Liabilities**  
 (in thousands)

At March 31, 2007, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – two legal claims). The two claims have specified amounts totaling \$7,800 (2006 – two claims with a specified amount of \$1,380). The Authority is jointly named with other entries in these two claims. One claim amounting to \$1,300 (2006 – two claims amounting to \$1,380) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**Note 8 Third Party Agreements**  
 (in thousands)

The Authority has entered into an agreement with Delegated First Nations Agency to provide services through contracted agencies. The financial statements include cost recoveries of \$41 (2006 - \$0).

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2007

**Note 9 Defined Benefit Plans**  
(in thousands)

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$608 for the year ended March 31, 2007 (2006 - \$536).

**Note 10 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 11 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits (a)	\$ 9,954	\$ 10,098	\$ 8,998
Supplies and Services (b)	19,164	15,584	15,189
Grants (b)	5,203	9,092	7,574
Inter-Authority Services	75	-	26
Other	-	78	64
<b>Total Expenses</b>	<b>\$ 34,396</b>	<b>\$ 34,852</b>	<b>\$ 31,851</b>

(a) This includes \$57 (2006 - \$45) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amount; totalling \$4,283 for the Family Support for Children with Disabilities program have been reclassified to grants to conform with the 2007 presentation

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)					2006
	2007	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	
Co-Chair of the Authority	\$ -	\$ 25	\$ -	\$ 25	\$ 44	
Co-Chair of the Authority	\$ -	\$ 27	\$ -	\$ 27	\$ 32	
Board Members (6 members)	\$ -	\$ 48	\$ -	\$ 48	\$ 62	
Chief Executive Officer <sup>(4)</sup>	\$ 126	\$ 19	\$ 32	\$ 177	\$ 171	

**Prepared in accordance with Treasury Board Directive 03/2004**

(1) Base salary includes regular pay

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$25 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) The position was occupied by two different individuals during the year. The first incumbent occupied the position in an acting capacity until April 10, 2007. The second incumbent occupied the position on a permanent basis for the remainder of the fiscal year.

## SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 35,176	\$ 32,183	\$ -	\$ -
Recoveries - Inter-Authority Services	-	26	-	-
Prior-Year Revenue - First Nations Reserves	(3)	11	-	-
	<b>\$ 35,173</b>	<b>\$ 32,220</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 18	\$ 3	\$ -	\$ -
Department of Children's Services	249	421	-	-
Department of Advanced Education and Technology	-	-	40	7
Department of Education	-	-	151	182
Department of Health and Wellness	-	-	644	300
Department of Service Alberta	-	-	14	14
	<b>\$ 267</b>	<b>\$ 424</b>	<b>\$ 849</b>	<b>\$ 503</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 815	\$ 1,011	\$ -	\$ -
	<b>\$ 815</b>	<b>\$ 1,011</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2007	2006
<b>Expenses (Notional):</b>		
Accommodation	\$ 705	\$ 845
Administrative	410	416
Legal Services	1	-
	<b>\$ 1,116</b>	<b>\$ 1,261</b>

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

(IN THOUSANDS)  
 2007

2006

Program	Expenses <sup>(1)</sup>	Expenses - Incurred by Others				Valuation Adjustments <sup>(5)</sup>		Total Expenses	Total Expenses Restated <sup>(6)</sup>
		Accommodation	Administration	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts			
Child Care	\$ 4,811	\$ 37	\$ -	\$ -	\$ 3	\$ 14	\$ 4,865	\$ 3,587	
Family Support for Children with Disabilities	5,359	56	-	-	5	-	5,420	4,834	
Early Intervention	1,782	3	-	-	-	-	1,785	1,903	
Prevention of Family Violence and Bullying	-	6	-	-	1	-	7	4	
Parenting Resources Initiative	351	-	-	-	-	-	351	341	
Fetal Alcohol Spectrum Disorder Initiatives	490	-	-	-	-	-	490	405	
Child Intervention Services	20,151	545	-	-	50	-	20,746	19,897	
Child and Youth Support	317	3	-	-	-	-	320	277	
Protected Children from Sexual Exploitation	229	12	-	-	1	-	242	-	
Community Initiatives	122	6	-	-	1	-	129	73	
Program Support	1,025	37	410	1	3	-	1,476	1,621	
Board Governance	137	-	-	-	-	-	137	144	
Inter-Authority Services	-	-	-	-	-	-	-	26	
	<b>\$ 34,774</b>	<b>\$ 705</b>	<b>\$ 410</b>	<b>\$ 1</b>	<b>\$ 64</b>	<b>\$ 14</b>	<b>\$ 35,968</b>	<b>\$ 33,112</b>	

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Southwest Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
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## Auditor's Report

To the Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Dunn FCA  
Auditor General

Edmonton, Alberta  
May 3, 2007

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget	Actual	Actual
<b>REVENUE</b>			
<b>Internal Government Transfers</b>			
Grant from the Department of Children's Services (note 3)	\$ 19,273	\$ 20,693	\$ 17,871
Miscellaneous Revenue	19	32	23
	<b>19,292</b>	<b>20,725</b>	<b>17,894</b>
<b>EXPENSE (schedules 1 and 4)</b>			
<b>Program</b>			
<b>Promoting the development and well being of children, youth and families:</b>			
Child Care	3,970	3,224	2,522
Family Support for Children with Disabilities	1,965	2,227	2,087
Early Intervention	1,600	1,559	1,458
Parenting Resources Initiative	215	220	203
Fetal Alcohol Spectrum Disorder Initiatives	80	83	78
<b>Keeping children, youth and families safe and protected:</b>			
Child Intervention Services	10,516	12,026	10,523
Child and Youth Support	110	109	105
Protecting Children from Sexual Exploitation	-	105	-
<b>Support Services:</b>			
Program Support	760	947	795
Board Governance	76	45	62
Valuation Adjustments	-	94	45
<b>TOTAL EXPENSES</b>	<b>19,292</b>	<b>20,639</b>	<b>17,878</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 86</b>	<b>\$ 16</b>

The accompanying notes and schedules are part of these financial statements.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2007

	(IN THOUSANDS)	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash	\$ 830	\$ 865
Accounts Receivable (note 4)	702	430
Prepaid Expenses	17	19
Tangible Capital Assets (note 5)	6	-
	<u><b>\$ 1,555</b></u>	<u><b>\$ 1,314</b></u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (note 6)	\$ 1,280	\$ 1,125
<b>Net Assets</b>		
Net Assets at Beginning of Year	189	173
Net Operating Results	86	16
Net Assets at End of Year	<u>275</u>	<u>189</u>
	<u><b>\$ 1,555</b></u>	<u><b>\$ 1,314</b></u>

The accompanying notes and schedules are part of these financial statements.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 86	\$ 16
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	94	45
	180	61
Decrease (Increase) in Accounts Receivable <sup>(a)</sup>	(284)	68
Decrease (Increase) in Prepaid Expenses	2	(19)
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	73	(54)
Cash Provided ( Applied to) by Operating Transactions	(29)	56
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(6)	-
<b>Increase (Decrease) in Cash</b>	(35)	56
<b>Cash, Beginning of Year</b>	865	809
<b>Cash, End of Year</b>	<u><u>\$ 830</u></u>	<u><u>\$ 865</u></u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

### Note 1 Authority and Purpose

The Southeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

#### Reporting Entity

The reporting entity is the Southeast Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

#### Basis of Financial Reporting

##### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

##### *Expenses*

##### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc. directly incurred expenses also include:

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

***Budget (In thousands)***

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$19,292 on February 23, 2006.

***Measurement Uncertainty  
(In thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$702 and \$1,280 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contributions***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 19,273
Additional funding for the current year	1,420
Grant for the year	<u>\$ 20,693</u>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 527	\$ 12	\$ 515	\$ 420	
Refunds from suppliers	187	-	187	10	
	<u>\$ 714</u>	<u>\$ 12</u>	<u>\$ 702</u>	<u>\$ 430</u>	

Accounts receivable are unsecured and non-interest bearing.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Tangible Capital Assets**  
 (in thousands)

	2007			2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Equipment*	\$ 6	\$ -	\$ 6	\$ -	

- \*Equipment includes: Office equipment, furniture and other equipment

**Note 6 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	2007	2006
Trade Payable	\$ 702	\$ 633
Accrued Vacation Pay and Manpower Expenses	562	489
Department of Children's Services	3	3
Child and Family Services Authorities	13	-
	<b>\$ 1,280</b>	<b>\$ 1,125</b>

**Note 7 Contractual Obligations**  
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	2007	2006
Long-term leases <sup>(a)</sup>	\$ 107	\$ 103

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows

	Long-term Leases
2008	\$ 42
2009	30
2010	25
2011	10

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 8 Contingent Liabilities  
(in thousands)**

At March 31, 2007, the Authority is a defendant in one legal claim either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred. The claim has a specified amount totaling \$6,500.

There is one claim amounting to \$6,500 in which the Authority has been jointly named with other entities. This claim is not covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

**Note 9 Defined Benefit Plans  
(in thousands)**

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$366 for the year ended March 31, 2007 (2006 - \$321).

**Note 10 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 11 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES - Directly Incurred Detailed by Object - Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>(a)</sup>	\$ 5,893	\$ 5,989	\$ 5,344
Supplies and Services <sup>(b)</sup>	9,709	9,867	8,336
Grants <sup>(b)</sup>	3,690	4,689	4,153
Other	-	94	45
<b>Total Expenses</b>	<b>\$ 19,292</b>	<b>\$ 20,639</b>	<b>\$ 17,878</b>

(a) This includes \$37,482 (2006 \$42,000) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$1,815,336 for the *Family Support for Children with Disabilities* program have been reclassified to Grants to conform with the 2007 presentation

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)					2006	
	2007		2006				
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total		
Co-Chair of the Authority	\$ -	\$ 19	\$ -	\$ 19	\$ 22		
Co-Chair of the Authority	-	17	-	17	15		
Board Members (6 members)	-	30	-	30	32		
Chief Executive Officer	132	21	32	185	166		

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$32,267 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

## SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS - Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)					
	Entities in the Ministry		Other Entities		2007	2006
	2007	2006	2007	2006		
<b>Revenues:</b>						
Grant from the Department of Children's Services	\$ 20,693	\$ 17,871	\$ -	\$ -		
<b>Expenses - Directly Incurred</b>						
Inter-Authority Services Received	\$ 230	\$ 18	\$ -	\$ -		
Department of Children's Services	414	281	-	-		
Department of Education	-	-	208	139		
Department of Health and Wellness	-	-	230	245		
Department of Employment, Immigration and Industry	-	-	6	4		
Department of Service Alberta	-	-	8	8		
	<b>\$ 644</b>	<b>\$ 299</b>	<b>\$ 452</b>	<b>\$ 396</b>		
<b>Receivable from/(Payable to):</b>						
Department of Children's Services (Net)	\$ 507	\$ 420	\$ -	\$ -		
North Central Alberta Child and Family Services Authority	(13)	-	-	-		
Department of Health and Wellness	-	-	22	-		
Department of Employment, Immigration and Industry	-	-	1	-		
	<b>\$ 494</b>	<b>\$ 420</b>	<b>\$ 22</b>	<b>\$ 1</b>		

The Authority also had the following transactions with related parties for which no consideration was exchanged.

The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)		
	Other Entities		2006
	2007	Restated <sup>(a)</sup>	
<b>Expenses (NOTIONAL):</b>			
Accommodation	\$ 635	\$ 622	
Administrative	246	229	
Legal Services	-	1	
	<b>\$ 881</b>	<b>\$ 852</b>	

(a) Administrative costs for 2006 have been restated as if the Authority had always been assigned with its current responsibilities.

The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(4)</sup>		Total Expenses	Total Expenses Restated <sup>(5)</sup>	
		Accommodation	Administration	Vacation	Doubtful Accounts				
Child Care	\$ 3,224	\$ 33	\$ -	\$ 4	\$ 12	\$ 3,273	\$ 2,567		
Family Support for Children with Disabilities	2,227	42	-	6	-	2,275	2,143		
Early Intervention	1,559	-	-	-	-	1,559	1,458		
Parenting Resources Initiative	220	-	-	-	-	220	203		
Fetal Alcohol Spectrum Disorder Initiatives	83	-	-	-	-	83	78		
Child Intervention Services	12,026	518	-	67	-	12,611	11,046		
Child and Youth Support	109	2	-	-	-	111	107		
Protecting Children from Sexual Exploitation	105	7	-	1	-	113	-		
Program Support	947	33	246	4	-	1,230	1,066		
Board Governance	45	-	-	-	-	45	62		
	<b>\$ 20,545</b>	<b>\$ 635</b>	<b>\$ 246</b>	<b>\$ 82</b>	<b>\$ 12</b>	<b>\$ 21,520</b>	<b>\$ 18,730</b>		

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Southeast Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

5) Administrative costs for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the Calgary and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Calgary and Area Child and Family Services Authority ("the Authority") as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Dunn FCA  
Auditor General

Edmonton, Alberta  
May 10, 2007

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget	Actual	Actual
<b>REVENUE</b>			
<b>Internal Government Transfers</b>			
Grant from the Department of Children's Services (NOTE 3)	\$ 180,863	\$ 194,620	\$ 170,549
<b>Other Revenue</b>			
Recoveries - Inter-Authority Services	-	131	-
Other Revenue (NOTE 9)	1,000	869	832
Miscellaneous Revenue	390	812	387
	<b>182,253</b>	<b>196,432</b>	<b>171,768</b>
<b>EXPENSE (SCHEDULES 1 AND 4)</b>			
<b>Program</b>			
<b>Promoting the development and well being of children, youth and families:</b>			
Child Care	26,423	22,643	18,158
Family Support for Children with Disabilities	30,245	37,133	29,619
Early Intervention	5,596	5,473	5,756
Prevention of Family Violence and Bullying	515	522	528
Parenting Resources Initiative	1,816	1,797	1,706
Fetal Alcohol Spectrum Disorder Initiatives	714	1,129	910
<b>Keeping children, youth and families safe and protected:</b>			
Child Intervention Services	109,954	116,947	108,384
Child and Youth Support	900	862	911
Protected Children from Sexual Exploitation	-	1,304	-
<b>Promoting healthy communities for children, youth and families:</b>			
Community Initiatives	3,077	3,132	3,035
<b>Support Services:</b>			
Program Support	2,863	3,486	2,910
Board Governance	150	83	105
Amortization	-	27	27
Inter-Authority Services	-	131	-
Valuation Adjustments (NOTE 2)	-	473	274
<b>TOTAL EXPENSES</b>	<b>182,253</b>	<b>195,142</b>	<b>172,323</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 1,290</b>	<b>\$ (555)</b>

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash	\$ 21,063	\$ 11,152
Accounts Receivable (NOTE 4)	4,285	3,946
Prepaid Expenses	-	5,554
Tangible Capital Assets (NOTE 5)	170	197
	<u>\$ 25,518</u>	<u>\$ 20,849</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	\$ 14,875	\$ 11,496
	<u>14,875</u>	<u>11,496</u>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	9,353	9,908
Net Operating Results	1,290	(555)
Net Assets at End of Year	<u>10,643</u>	<u>9,353</u>
	<u>\$ 25,518</u>	<u>\$ 20,849</u>

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 1,290	\$ (555)
Non-Cash Items included in Net Operating Results:		
Amortization	27	27
Valuation Adjustments	473	274
	<hr/> 1,790	<hr/> (254)
Increase in Accounts Receivable <sup>(a)</sup>	(339)	(165)
Decrease (Increase) in Prepayments	5,554	(5,554)
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	2,906	195
	<hr/> 9,911	<hr/> (5,778)
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	<hr/> -	<hr/> (63)
	<hr/> -	<hr/> (63)
<b>Increase (Decrease) in Cash</b>	9,911	(5,841)
<b>Cash, Beginning of Year</b>	11,152	16,993
<b>Cash, End of Year</b>	<hr/> \$ 21,063	<hr/> \$ 11,152

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

## Note 1 Authority and Purpose

The Calgary and Area Child and Family Services Authority ("the Authority") operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer ("CEO"), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

## Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following significant accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

### Reporting Entity

The reporting entity is the Calgary and Area Child and Family Services Authority, which is part of the Ministry of Children's Services.

### Basis of Financial Reporting

#### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 9) that are restricted is recognized in the year when the related expenses are incurred.

#### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

### *Expenses*

#### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- amortization of tangible capital assets.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

***Budget (In thousands)***

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$182,253 on October 17, 2006.

***Measurement Uncertainty***

***(In thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$4,285 and \$14,875 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contributions***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 180,863
Additional funding for the current year	<u>13,757</u>
Grant for the year	<u><u>\$ 194,620</u></u>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 3,647	\$ -	\$ 3,647	\$ 3,661	
Refunds from suppliers	839	201	638		285
	<u>\$ 4,486</u>	<u>\$ 201</u>	<u>\$ 4,285</u>		<u>\$ 3,946</u>

Accounts receivable are unsecured and non-interest bearing

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Tangible Capital Assets**  
 (in thousands)

	<b>Equipment*</b>	<b>Leasehold Improvements</b>	<b>Computer hardware and software</b>	<b>2007 Total</b>	<b>2006 Total</b>
<b>Estimated Useful Life</b>	10 Years	7 Years	5 Years		
<b>Historical Cost</b>					
Beginning of year	\$ 186	\$ 59	\$ 329	\$ 574	\$ 511
Additions	-	-	-	-	\$ 63
	<u>\$ 186</u>	<u>\$ 59</u>	<u>\$ 329</u>	<u>\$ 574</u>	<u>\$ 574</u>
<b>Accumulated Amortization</b>					
Beginning of year	\$ 31	\$ 17	\$ 329	\$ 377	\$ 21
Amortization expense	19	8	-	27	\$ 27
	<u>\$ 50</u>	<u>\$ 25</u>	<u>\$ 329</u>	<u>\$ 404</u>	<u>\$ 48</u>
<b>Net Book Value at March 31, 2007</b>	<u>\$ 136</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 170</u>	
<b>Net Book Value at March 31, 2006</b>	<u>\$ 155</u>	<u>\$ 42</u>	<u>\$ -</u>		<u>\$ 197</u>

\*Equipment includes: office equipment, furniture and other equipment

**Note 6 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 10,967	\$ 7,965
Accrued Vacation Pay and Manpower Expense	3,825	3,448
Department of Children's Services	73	71
Child and Family Services Authorities	8	-
Other	2	12
	<u>\$ 14,875</u>	<u>\$ 11,496</u>

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 7 Contractual Obligations**  
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	<u>\$ 75</u>	<u>\$ 129</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows

	Long-term leases
2008	\$ 47
2009	21
2010	6
2011	1

**Note 8 Contingent Liabilities**  
(in thousands)

At March 31, 2007, the Authority is a defendant in five legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – seven legal claims). The five claims have specified amounts totaling \$12,225 (2006 – seven claims with a specified amount of \$7,239).

In each of these claims, the Authority has been jointly named with other entities. Two claims amounting to \$675 (2006 – six claims amounting to \$6,489) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Third Party Agreements**  
(in thousands)

The Authority has entered into two third party agreements with Student Health Partnership, and Seniors and Community Supports to deliver various program services. The revenues (not in brackets in the table below) of \$869 (2006 - \$832) and expenses (in brackets in the table below) of \$607 (2006 - \$598) are included in the financial statements.

	<b>2007</b>	<b>2006</b>
Student Health Partnership	\$ 869	\$ 832
Seniors and Community Supports	(607)	(598)
	<b>\$ 262</b>	<b>\$ 234</b>

The Authority also entered into an agreement with Delegated First Nations Agency to provide services through contracted agencies. The financial statements include cost recoveries of \$636 (2006 - \$0) and accounts receivable of \$351 (2006 - \$0).

**Note 10 Defined Benefit Plans**  
(in thousands)

The Authority participates in a multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in a multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$2,373 for the year ended March 31, 2007 (2006 - \$2,155).

**Note 11 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 12 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**  
Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>a</sup>	\$ 36,234	\$ 37,175	\$ 34,626
Supplies and Services <sup>b</sup>	121,406	101,610	93,467
Supplies and Services from support service arrangements with related parties <sup>b</sup>	-	607	598
Grants <sup>c</sup>	24,563	55,102	43,131
Amortization of Capital Assets	-	27	27
Inter-Authority Services	-	131	-
Other	50	490	474
<b>Total Expenses</b>	<b>\$ 182,253</b>	<b>\$ 195,142</b>	<b>\$ 172,323</b>

(a) This includes \$172 (2006 - \$160) in achievement bonuses for management and non union staff.

(b) The Authority receives residential placement services from the Department of Seniors and Community Supports.

(c) 2006 Supplies and Services amounts totalling \$26,809 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)					2006
	Base Salary (1)	Other Cash Benefits (2)	Non-Cash Benefits (3)	Total	Total	
Co-Chair of the Authority <sup>(5)</sup>	\$ -	\$ 10	\$ -	\$ 10	\$ 20	
Co-Chair of the Authority <sup>(6)</sup>	\$ -	\$ 12	\$ -	\$ 12	\$ 13	
Board Members (11 MEMBERS)	\$ -	\$ 42	\$ -	\$ 42	\$ 56	
Chief Executive Officer <sup>(4)</sup>	\$ 190	\$ 23	\$ 8	\$ 221	\$ 206	

Prepared in accordance with Treasury Board Directive 03/2004

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$17 of the total honoraria expenses disclosed in this schedule.
- (3) Non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided to the CEO, no dollar amount included in non-cash benefits figures.
- (5) The position was occupied by two individuals through the year.
- (6) The position was occupied by two individuals through the year.

# CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 194,620	\$ 170,549	\$ -	\$ -
Recoveries - Inter-Authority Services	131	-	-	-
Prior-Year Revenue - Inter-Authority Services	17	1	-	-
Miscellaneous Revenue:				
Department of Education	-	-	869	832
	<u>\$ 194,768</u>	<u>\$ 170,550</u>	<u>\$ 869</u>	<u>\$ 832</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 5	\$ 30	\$ -	\$ -
Department of Children's Services	1,989	1,404	-	-
Department of Advanced Education and Technology	-	-	267	66
Department of Education	-	-	869	971
Department of Health and Wellness	-	-	1,244	287
Department of Service Alberta	-	-	91	90
Persons with Developmental Disabilities	-	-	607	598
	<u>\$ 1,994</u>	<u>\$ 1,434</u>	<u>\$ 3,078</u>	<u>\$ 2,012</u>
<b>Receivable from (Payable to):</b>				
Department of Children's Services (Net)	\$ 3,505	\$ 3,588	\$ -	\$ -
Southwest Alberta Child and Family Services Authority	-	2	-	-
Edmonton and Area Child and Family Services Authority	(5)	-	-	-
North Central Alberta Child and Family Services Authority	(3)	-	-	-
Department of Health and Wellness	-	-	-	28
	<u>\$ 3,497</u>	<u>\$ 3,590</u>	<u>\$ -</u>	<u>\$ 28</u>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	2007	2006
	Restated <sup>(a)</sup>	
<b>Expenses (NOTIATIONAL):</b>		
Accommodation	\$ 4,593	\$ 4,250
Administrative	1,843	1,723
Legal Services	1,126	864
	<u>\$ 7,562</u>	<u>\$ 6,837</u>

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2007		2006			
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>			Total Expenses	Total Expenses Restated <sup>(6)</sup>				
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts							
Child Care	\$ 22,643	\$ 268	\$ 108	\$ -	\$ 16	\$ 201	\$ 23,236	\$ 18,415					
Family Support for Children with Disabilities	37,133	310	124	-	18	-	37,585	29,902					
Early Intervention	5,473	-	-	-	-	-	5,473	5,756					
Prevention of Family Violence and Bullying	522	-	-	-	-	-	522	528					
Parenting Resources Initiative	1,797	-	-	-	-	-	1,797	1,706					
Fetal Alcohol Spectrum Disorder Initiatives	1,129	-	-	-	-	-	1,129	910					
Child Intervention Services	116,947	3,899	1,564	1,126	230	-	123,766	113,074					
Child and Youth Support	862	9	4	-	1	-	876	939					
Protected Children from Sexual Exploitation	1,304	-	-	-	-	-	1,304	-					
Community Initiatives	3,132	9	4	-	1	-	3,146	3,053					
Program Support	3,486	98	39	-	6	-	3,629	3,311					
Board Governance	83	-	-	-	-	-	83	105					
Inter-Authority Services	131	-	-	-	-	-	131	-					
Amortization	27	-	-	-	-	-	27	27					
	<b>\$ 194,669</b>	<b>\$ 4,593</b>	<b>\$ 1,843</b>	<b>\$ 1,126</b>	<b>\$ 272</b>	<b>\$ 201</b>	<b>\$ 202,704</b>	<b>\$ 177,726</b>					

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Calgary and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to a specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.



CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
FINANCIAL STATEMENTS  
MARCH 31, 2007

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## Auditor's Report

To the Members of the Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn FCA  
Auditor General

Edmonton, Alberta  
May 15, 2007

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)					
	2007		2006		Actual	
	Budget	Actual	Budget	Actual		
<b>REVENUE</b>						
<b>Internal Government Transfers</b>						
Grant from the Department of Children's Services (NOTE 3)	\$ 57,583	\$ 59,868	\$ 54,875	\$ 54,875		
<b>Other Revenue</b>						
Recoveries - Inter-Authority Services	75	44	60	60		
Other Revenue - Donations	-	-	8	8		
Miscellaneous Revenue	-	8	253	253		
	<b>57,658</b>	<b>59,920</b>	<b>55,196</b>			
<b>EXPENSE (SCHEDULES 1 AND 4)</b>						
<b>Program</b>						
<b>Promoting the development and well being of children, youth and families:</b>						
Child Care	6,801	5,163	4,368	4,368		
Family Support for Children with Disabilities	9,963	9,963	8,533	8,533		
Early Intervention	2,765	3,027	2,740	2,740		
Prevention of Family Violence and Bullying	604	655	361	361		
Parenting Resources Initiative	738	825	780	780		
Fetal Alcohol Spectrum Disorder Initiatives	219	265	255	255		
<b>Keeping children, youth and families safe and protected:</b>						
Child Intervention Services	32,496	34,677	34,061	34,061		
Child and Youth Support	438	396	412	412		
Protected Children from Sexual Exploitation	-	762	-	-		
<b>Promoting healthy communities for children, youth and families:</b>						
Community Initiatives	1,386	1,362	1,459	1,459		
<b>Support Services:</b>						
Program Support	1,900	1,914	2,356	2,356		
Board Governance	273	258	262	262		
Amortization	-	1	1	1		
Inter-Authority Services	75	44	60	60		
Valuation Adjustments (Schedule 4)	-	(21)	93	93		
<b>TOTAL EXPENSES</b>	<b>57,658</b>	<b>59,291</b>	<b>55,741</b>			
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 629</b>	<b>\$ (545)</b>			

The accompanying notes and schedules are part of these financial statements.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 3,769	\$ 383
Accounts Receivable (NOTE 4)	1,702	3,217
Advances	1	1
Tangible Capital Assets (NOTE 5)	4	5
	<b>\$ 5,476</b>	<b>\$ 3,606</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	\$ 5,148	\$ 3,907
<b>Net Assets (Liabilities)</b>		
Net Assets (Liabilities) at Beginning of Year	(301)	244
Net Operating Results	629	(545)
Net Assets (Liabilities) at End of Year	<b>328</b>	<b>(301)</b>
	<b>\$ 5,476</b>	<b>\$ 3,606</b>

The accompanying notes and schedules are part of these financial statements.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 629	\$ (545)
Non-Cash Items included in Net Operating Results:		
Amortization	1	1
Valuation Adjustments	(21)	93
	<u>609</u>	<u>(451)</u>
Decrease (Increase) in Accounts Receivable <sup>(a)</sup>	1,515	(1,141)
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	1,262	(130)
Cash Provided ( Applied to) by Operating Transactions	<u>3,386</u>	<u>(1,722)</u>
 <b>Increase (Decrease) in Cash</b>	 3,386	 (1,722)
 <b>Cash, Beginning of Year</b>	 383	 2,105
 <b>Cash, End of Year</b>	 <u>\$ 3,769</u>	 <u>\$ 383</u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

## Note 1 Authority and Purpose

The Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

## Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

### Reporting Entity

The reporting entity is the Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

### Basis of Financial Reporting

#### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

#### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

#### *Expenses*

#### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

- amortization of tangible capital assets.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

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Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

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***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

***Budget (In thousands)***

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$57,658 on May 15, 2006.

***Measurement Uncertainty  
(In thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,702 and \$5,148 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contributions***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

	<b>2007</b>	<b>2006</b>
Initial (ORIGINAL) budget	\$ 57,583	\$ 48,478
FNR Revenue-re-classified to grants	-	4,574
Additional funding for the current year	2,285	1,823
	<b>\$ 59,868</b>	<b>\$ 54,875</b>

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 4 Accounts Receivable**  
 (in thousands)

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 1,702	\$ -	\$ 1,702	\$ 3,209	
Refunds from suppliers	-	-	-		8
	\$ 1,702	\$ -	\$ 1,702	\$ 3,217	

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Tangible Capital Assets**  
 (in thousands)

	Equipment*	2007 Total	2006 Total
<b>Estimated Useful Life</b>	10 Years		
<b>Historical Cost</b>	Audio-visual		
Beginning of year	\$ 7	\$ 7	\$ 7
<b>Accumulated Amortization</b>			
Beginning of year	\$ 2	\$ 2	\$ 1
Amortization expense	1	1	1
	\$ 3	\$ 3	\$ 2
<b>Net Book Value at March 31, 2007</b>	\$ 4	\$ 4	
<b>Net Book Value at March 31, 2006</b>	\$ 5		\$ 5

- \* Equipment includes: Office equipment, furniture and other equipment

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 6 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 3,555	\$ 2,213
Accrued Vacation Pay and Manpower Expenses	1,380	1,389
Department of Children's Services	206	272
Child and Family Services Authorities	4	22
Other	3	11
	<b>\$ 5,148</b>	<b>\$ 3,907</b>

**Note 7 Contractual Obligations**  
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	<u>\$ 313</u>	<u>\$ 400</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows

	<b>Long-term Leases</b>
2008	\$ 140
2009	100
2010	58
2011	15

**Note 8 Third Party Agreements**  
 (in thousands)

The Authority also entered into an agreement with Delegated First Nations Agency to provide services through contracted agencies. The financial statements includes cost recoveries of \$581 for Sunchild and accounts receivable of \$142.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Contingent Liabilities  
(in thousands)**

At March 31, 2007, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – one legal claim). The three claims have specified amounts totaling \$6,885 (2006 – \$820).

The Authority has been jointly named with other entities. One claim amounting to \$135 is covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

**Note 10 Defined Benefit Plans  
(in thousands)**

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$939 for the year ended March 31, 2007 (2006 – \$890).

**Note 11 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 12 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**  
Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>a</sup>	\$ 14,991	\$ 14,687	\$ 14,643
Supplies and Services	36,109	31,149	29,374
Grants <sup>b</sup>	6,558	13,431	11,570
Amortization of Capital Assets	-	1	1
Inter-Authority Services	-	44	60
Other	-	(21)	93
<b>Total Expenses</b>	<b>\$ 57,658</b>	<b>\$ 59,291</b>	<b>\$ 55,741</b>

(a) This includes \$93 (2006 - \$79) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$7,314 for the Family Support for Children with Disabilities program have been reclassified to grants to conform with the 2007 presentation

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**SALARY AND BENEFITS DISCLOSURE – Schedule 2**  
Year ended March 31, 2007

	(IN THOUSANDS)				2006
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	
Co-Chair of the Authority <sup>(4)</sup>	\$ –	\$ 37	\$ –	\$ 37	\$ 31
Co-Chair of the Authority <sup>(4)</sup>	\$ –	\$ 34	\$ –	\$ 34	\$ 24
Board Members (15 MEMBERS)	\$ –	\$ 154	\$ –	\$ 154	\$ 144
Chief Executive Officer <sup>(4)</sup>	\$ 121	\$ 22	\$ 28	\$ 171	\$ 168

Prepared in accordance with Treasury Board Directive 0.3/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$31,142 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) The position was occupied by two individuals through the year.

# CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 59,868	\$ 54,875	\$ -	\$ -
Recoveries - Inter-Authority Services	44	60	-	-
Prior-Year Revenue - Inter-Authority Services	-	2	-	-
	<b>\$ 59,912</b>	<b>\$ 54,937</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 109	\$ 104	\$ -	\$ -
Department of Children's Services	663	1,237	-	-
Department of Education	-	-	280	1,201
Department of Health and Wellness	-	-	108	98
Department of Service Alberta	-	-	20	16
	<b>\$ 772</b>	<b>\$ 1,341</b>	<b>\$ 408</b>	<b>\$ 1,315</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 1,067	\$ 2,866	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	6	(15)	-	-
North Central Alberta Child and Family Services Authority	-	(2)	-	-
Metis Settlements Child and Family Services Authority	(1)	-	-	-
Department of Health and Wellness	-	-	89	-
Persons with Developmental Disabilities	-	-	52	-
	<b>\$ 1,072</b>	<b>\$ 2,849</b>	<b>\$ 141</b>	<b>\$ -</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2007	2006
<b>Expenses (NOTIONAL):</b>		
Accommodation	\$ 1,768	\$ 1,706
Administrative	657	689
Legal Services	46	45
	<b>\$ 2,471</b>	<b>\$ 2,440</b>

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities.

The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>		Total Expenses		
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts			
Child Care	\$ 5,163	\$ 72	\$ 27	\$ -	\$ (1)	\$ -	\$ 5,261	\$ 4,483	
Family Support for Children with Disabilities	9,963	183	68	-	(2)	-	10,212	8,766	
Early Intervention	3,027	24	9	-	-	-	3,060	2,772	
Prevention of Family Violence and Bullying	655	10	4	-	-	-	669	373	
Parenting Resources Initiative	825	-	-	-	-	-	825	780	
Fetal Alcohol Spectrum Disorder Initiatives	265	-	-	-	-	-	265	255	
Child Intervention Services	34,677	1,290	479	46	(16)	-	36,476	35,952	
Child and Youth Support	396	3	1	-	-	-	400	416	
Protected Children from Sexual Exploitation	762	5	2	-	-	-	769	-	
Community Initiatives	1,362	63	23	-	(1)	-	1,447	1,542	
Program Support	1,914	118	44	-	(1)	-	2,075	2,519	
Board Governance	258	-	-	-	-	-	258	262	
Inter-Authority Services	44	-	-	-	-	-	44	60	
Amortization	1	-	-	-	-	-	1	1	
	<b>\$ 59,312</b>	<b>\$ 1,768</b>	<b>\$ 657</b>	<b>\$ 46</b>	<b>\$ (21)</b>	<b>\$ -</b>	<b>\$ 61,762</b>	<b>\$ 58,181</b>	

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.



EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the East Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the East Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn  
FCA  
Auditor General

Edmonton, Alberta  
May 14, 2007

# EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY STATEMENT OF OPERATIONS

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget	Actual	Actual
<b>Revenue</b>			
Internal Government Transfers			
Grant from the Department of Children's Services (Note 3)	\$ 15,920	\$ 18,013	\$ 14,995
Other Revenue			
Miscellaneous Revenue	-	28	26
	<b>15,920</b>	<b>18,041</b>	<b>15,021</b>
<b>Expense (Schedules 1 and 4)</b>			
Program			
Promoting the development and well being of children, youth and families:			
Child Care	2,161	1,504	1,266
Family Support for Children with Disabilities	2,483	3,705	2,679
Early Intervention	709	753	719
Prevention of Family Violence and Bullying	116	-	30
Parenting Resources Initiative	336	367	336
Fetal Alcohol Spectrum Disorder Initiatives	44	46	44
Keeping children, youth and families safe and protected:			
Child Intervention Services	8,112	9,471	8,118
Child and Youth Support	237	205	238
Protecting Children from Sexual Exploitation	-	74	-
Promoting healthy communities for children, youth and families:			
Community Initiatives	538	538	534
Support Services:			
Program Support	1,074	1,234	1,050
Board Governance	110	67	98
Valuation Adjustments (Note 2)	-	11	33
<b>Total Expenses</b>	<b>15,920</b>	<b>17,975</b>	<b>15,145</b>
Net Operating Results	\$ -	\$ 66	\$ (124)

The accompanying notes and schedules are part of these financial statements.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 1,681	\$ 1,398
Accounts Receivable (Note 4)	771	513
	<b>\$ 2,452</b>	<b>\$ 1,911</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 1,517	\$ 1,042
	<u>1,517</u>	<u>1,042</u>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	869	993
Net Operating Results	66	(124)
Net Assets at End of Year	<u>935</u>	<u>869</u>
	<b>\$ 2,452</b>	<b>\$ 1,911</b>

The accompanying notes and schedules are part of these financial statements.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 66	\$ (124)
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	<u>11</u>	<u>33</u>
	<u>77</u>	<u>(91)</u>
Increase in Accounts Receivable	(258)	(68)
Increase in Accounts Payable and Accrued Liabilities (a)	464	52
Cash Provided ( Applied to) by Operating Transactions	<u>283</u>	<u>(107)</u>
<b>Increase (Decrease) in Cash</b>	283	(107)
<b>Cash, Beginning of Year</b>	1,398	1,505
<b>Cash, End of Year</b>	<u><u>\$ 1,681</u></u>	<u><u>\$ 1,398</u></u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

### Note 1 Authority and Purpose

The East Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

#### Reporting Entity

The reporting entity is the East Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

#### Basis of Financial Reporting

##### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

##### *Expenses*

##### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc. directly incurred expenses also include:

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Budget (In thousands)*

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$15,920 on May 23, 2006.

*Measurement Uncertainty (In thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$771 and \$1,517 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using an aging and linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services (in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 15,920
Additional funding for the current year	2,093
Grant for the year	\$ 18,013

**Note 4 Accounts Receivable (in thousands)**

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 439	\$ -	\$ 439	\$ 486
Refunds From Suppliers	332	-	332	27
	<u>\$ 771</u>	<u>\$ -</u>	<u>\$ 771</u>	<u>\$ 513</u>

- Accounts receivable are unsecured and non-interest bearing.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Accounts Payable and Accrued Liabilities (in thousands)**

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 746	\$ 542
Accrued Vacation Pay and Manpower Expense	435	433
Department of Children's Services	269	6
Child and Family Services Authorities	67	61
	<b>\$ 1,517</b>	<b>\$ 1,042</b>

**Note 6 Contractual Obligations (in thousands)**

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	\$ 172	\$ 127

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	Long-term Leases
2008	\$ 78
2009	53
2010	34
2011	7
	<b>\$ 172</b>

**Note 7 Contingent Liabilities (in thousands)**

At March 31, 2007, the Authority is a defendant in one legal claim either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred. The one claim has specified amount totaling \$6,500.

Included in the total claim is one claim amounting to \$6,500 in which the Authority has been jointly named with other entities. One claim of \$6,500 is not covered by the Alberta Risk Management Fund.

The resulting loss, if any, from this claim cannot be determined.

**Note 8 Defined Benefit Plans (in thousands)**

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$306 for the year ended March 31, 2007 (2006 - \$272).

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 10 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>(a)</sup>	\$ 5,131	\$ 4,522	\$ 4,062
Supplies and Services <sup>(b)</sup>	9,653	9,012	7,755
Grants <sup>(b)</sup>	1,136	4,430	3,295
Other	-	11	33
<b>Total Expenses</b>	<b>\$ 15,920</b>	<b>\$ 17,975</b>	<b>\$ 15,145</b>

(a) This includes \$48 (2006 \$44) in achievement bonuses for management and non-union staff

(b) 2006 Supplies and Services amounts totaling \$2,187 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 analysis and presentation

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)					2006	
	2007		2006				
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total		
Co-Chair of the Authority	\$ -	\$ 16	\$ -	\$ 16	\$ 19		
Co-Chair of the Authority	- - -	22	- - -	22	20		
Board Members (5 members)	- - -	27	- - -	27	42		
Chief Executive Officer (4)	123	20	28	171	162		

Prepared in accordance with Treasury Board Directive 03/2004

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$16 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided to the CEO, no dollar amount included in other non-cash benefits figures.

# EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 18,013	\$ 14,995	\$ -	\$ -
	<u><b>\$ 18,013</b></u>	<u><b>\$ 14,995</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 382	\$ 299	\$ -	\$ -
Department of Children's Services	249	211	-	-
Department of Advanced Education and Technology	-	-	-	18
Department of Education	-	-	507	507
Department of Health and Wellness	-	-	78	74
Department of Service Alberta	-	-	5	-
	<u><b>\$ 631</b></u>	<u><b>\$ 510</b></u>	<u><b>\$ 590</b></u>	<u><b>\$ 599</b></u>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (net)	\$ 164	\$ 474	\$ -	\$ -
Central Alberta Child and Family Services Authority	3	-	-	-
Edmonton and Area Child and Family Services Authority	(42)	(51)	-	-
North Central Alberta Child and Family Services Authority	(25)	(10)	-	-
Metis Settlements Child And Family Services Authority	3	-	-	-
	<u><b>\$ 103</b></u>	<u><b>\$ 413</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2007	2006
<b>Expenses (NOTIONAL):</b>		
Accommodation	\$ 594	\$ 583
Administrative	192	188
Legal Services	49	10
	<u><b>\$ 835</b></u>	<u><b>\$ 781</b></u>
(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.		

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Programs	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>		Total Expenses		
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts			
Child Care	\$ 1,504	\$ 29	\$ 9	\$ 2	\$ -	\$ -	\$ 1,544	\$ 1,309	
Family Support for Children with Disabilities	3,705	84	27	7	2	-	3,825	2,777	
Early Intervention	753	7	2	1	-	-	763	737	
Prevention of Family Violence and Bullying	-	-	-	-	-	-	-	45	
Parenting Resources Initiative	367	-	-	-	-	-	367	336	
Fetal Alcohol Spectrum Disorder Initiatives	46	-	-	-	-	-	46	44	
Child Intervention Services	9,471	380	124	32	7	-	10,014	8,615	
Child and Youth Support	205	4	1	-	-	-	210	253	
Protected Children from Sexual Exploitation	74	-	-	-	-	-	74	-	
Community Initiatives	538	-	-	-	-	-	538	534	
Program Support	1,234	90	29	7	2	-	1,362	1,178	
Board Governance	67	-	-	-	-	-	67	98	
	<b>\$ 17,964</b>	<b>\$ 594</b>	<b>\$ 192</b>	<b>\$ 49</b>	<b>\$ 11</b>	<b>\$ -</b>	<b>\$ 18,810</b>	<b>\$ 15,926</b>	

- 1) Expenses - directly incurred as per the Statement of Operations, excluding valuation adjustment.
- 2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent East Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.
- 3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.
- 4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.
- 5) Valuation adjustment as per the Statement of Operations. Employee benefits and doubtful accounts provisions included in valuation adjustments were allocated as follows:
  - Vacation pay is allocated by the number of employees per program.
  - Doubtful accounts provision is allocated to specific programs.
- 6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the Edmonton and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Edmonton and Area Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Deemer FCA  
Auditor General

Edmonton, Alberta  
May 15, 2007

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)			2006 Actual	
	2007 Budget	2007 Actual			
<b>REVENUE</b>					
<b>Internal Government Transfers</b>					
Grant from the Department of Children's Services (NOTE 3)	\$ 255,266	\$ 261,099		\$ 237,016	
<b>Other Revenue</b>					
Recoveries - Inter-Authority Services	412	552		518	
Other Revenue (NOTE 9)	1,836	1,790		1,682	
Miscellaneous Revenue	-	898		254	
	<b>257,514</b>	<b>264,339</b>		<b>239,470</b>	
<b>EXPENSE (SCHEDULES 1 AND 4)</b>					
<b>Program</b>					
<b>Promoting the development and well being of children, youth and families:</b>					
Child Care	43,900	35,276		28,665	
Family Support for Children with Disabilities	28,307	29,979		26,342	
Early Intervention	9,500	9,295		8,758	
Prevention of Family Violence and Bullying	457	387		378	
Parenting Resources Initiative	1,848	2,914		2,762	
Fetal Alcohol Spectrum Disorder Initiatives	828	1,538		1,294	
<b>Keeping children, youth and families safe and protected:</b>					
Child Intervention Services	165,022	171,902		163,470	
Child and Youth Support	1,391	1,358		1,345	
Protected Children from Sexual Exploitation	-	1,943		10	
<b>Promoting healthy communities for children, youth and families:</b>					
Community Initiatives	1,698	1,802		1,674	
<b>Support Services:</b>					
Program Support	3,995	4,419		4,272	
Board Governance	150	152		150	
Amortization	6	6		12	
Inter-Authority Services	412	552		518	
Valuation Adjustments	-	343		493	
<b>TOTAL EXPENSES</b>	<b>257,514</b>	<b>261,866</b>		<b>240,143</b>	
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 2,473</b>		<b>\$ (673)</b>	

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 14,103	\$ 9,003
Accounts Receivable (NOTE 4)	8,927	10,301
Advances	11	3
Tangible Capital Assets (NOTE 5)	-	6
	<b>\$ 23,041</b>	<b>\$ 19,313</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	\$ 18,698	\$ 17,443
	<b>18,698</b>	<b>17,443</b>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	1,870	2,543
Net Operating Results	2,473	(673)
Net Assets at End of Year	<b>4,343</b>	<b>1,870</b>
	<b>\$ 23,041</b>	<b>\$ 19,313</b>

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 2,473	\$ (673)
Non-Cash Items included in Net Operating Results:		
Amortization	6	12
Valuation Adjustments	343	493
	<u>2,822</u>	<u>(168)</u>
Decrease (Increase) in Accounts Receivable <sup>(a)</sup>	1,187	(2,257)
Decrease (Increase) in Advances	(8)	15
Increase in Accounts Payable and Accrued Liabilities (a)	1,099	829
Cash Provided ( Applied to) by Operating Transactions	<u>5,100</u>	<u>(1,581)</u>
<b>Increase (Decrease) in Cash</b>	5,100	(1,581)
<b>Cash, Beginning of Year</b>	9,003	10,584
<b>Cash, End of Year</b>	<u><u>\$ 14,103</u></u>	<u><u>\$ 9,003</u></u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 1 Authority and Purpose**

The Edmonton and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

**Reporting Entity**

The reporting entity is the Edmonton and Area Child and Family Services Authority, which is part of the Ministry of Children's Services.

**Basis of Financial Reporting**

*Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 9) that are restricted is recognized in the year when the related expenses are incurred.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

*Expenses*

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- amortization of tangible capital assets.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Budget (In thousands)*

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$257,514 on March 7, 2006.

*Measurement Uncertainty*

*(In thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$8,927 and \$18,698 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$255,266
Additional funding for the current year	\$5,833
Grant for the year	<b>\$261,099</b>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$8,927	\$ -	\$8,927	\$ 9,633
Refunds from suppliers	-	-	-	668
	<b>\$8,927</b>	<b>\$ -</b>	<b>\$8,927</b>	<b>\$ 10,301</b>

Accounts receivable are unsecured and non-interest bearing.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Tangible Capital Assets**  
(in thousands)

	<b>Equipment*</b>	<b>2007 Total</b>	<b>2006 Total</b>
		5 Years	5 Years
<b>Estimated Useful Life</b>			
<b>Historical Cost**</b>			
Beginning of year	\$64	\$64	\$64
Additions	-	-	-
Disposals, including write-downs	-	-	-
	<b>\$64</b>	<b>\$-</b>	<b>\$64</b>
<b>Accumulated Amortization</b>			
Beginning of year	\$58	\$6	\$46
Amortization expense	6	6	\$12
Effect of disposal	-	-	-
	<b>\$64</b>	<b>\$64</b>	<b>\$58</b>
<b>Net Book Value at March 31, 2007</b>	<b>\$0</b>	<b>\$0</b>	-
<b>Net Book Value at March 31, 2006</b>	<b>\$6</b>	<b>\$6</b>	

• \*Equipment includes: Vehicle, Office equipment, furniture and other equipment

**Note 6 Accounts Payable and Accrued Liabilities**  
(in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$11,416	\$9,389
Accrued Vacation Pay and Manpower Expenses	6,426	6,320
Department of Children's Services	573	1,553
Child and Family Services Authorities	283	181
	<b>\$18,698</b>	<b>\$17,443</b>

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

**Note 7 Contractual Obligations  
(in thousands)**

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	147	117

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows

	<b>Long-term Leases</b>
2008	\$59
2009	49
2010	31
2011	8
	<b>\$147</b>

**Note 8 Contingent Liabilities  
(in thousands)**

At March 31, 2007, the Authority is a defendant in eleven legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – 11 legal claims). The nine claims have specified amounts totaling \$129,781 and the remaining two have no specified amounts (2006 – eight claims with a specified amount of \$123,080 and three with no specified amount).

Included in the total claims are nine claims amounting to \$129,781 (2006 – eleven claims amounting to \$123,080) in which the Authority has been jointly named with other entities. Ten claims amounting to \$123,281 (2006 – Eleven claims amounting to \$123,080) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 9 Third Party Agreements**  
(In thousands)

The Authority has entered into one third party agreement with Edmonton Student Health Partnership, to deliver integrated health and related support services for children with special health needs registered in school programs. The initiative commenced June 2000. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools. The revenues and expenses of \$1,790 (2006 - \$1,682) are included in the financial statements. The associated accounts receivable amounted to \$620 (2006 - \$476) and accounts payable and accrued liabilities amounted to \$0 (2006 - \$0).

The Authority also entered into an agreement with a Delegated First Nations Agency to provide services. As a result of this agreement, the financial statements include cost recoveries of \$174 (2006 - \$0) and accounts receivable of \$174 (2006 - \$0).

**Note 10 Defined Benefit Plans**  
(in thousands)

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$3,848 for the year ended March 31, 2007 (2006 - \$3,584).

**Note 11 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 12 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**  
Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>(a)</sup>	\$ 60,549	\$ 62,945	\$ 58,529
Supplies and Services	160,695	140,520	134,053
Grants <sup>(b)</sup>	36,264	57,500	46,537
Amortization of Capital Assets	6	6	13
Inter-Authority Services	-	552	518
Other	-	343	493
<b>Total Expenses</b>	<b>\$ 257,514</b>	<b>\$ 261,866</b>	<b>\$ 240,143</b>

(a) This includes \$244 (2006 - \$216) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$20,233 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE - Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)				<b>2007</b>	<b>2006</b>
	<b>Base Salary (1)</b>	<b>Other Cash Benefits<sup>(2)</sup></b>	<b>Other Non-Cash Benefits<sup>(3)</sup></b>	<b>Total</b>		
Co-Chair of the Authority	\$ -	\$ 20	\$ -	\$ 20	\$ 26	
Co-Chair of the Authority	-	19	-	19	20	
Board Members (13 MEMBERS)	-	102	-	102	101	
Chief Executive Officer	157	36	35	228	171	

Prepared in accordance with Treasury Board Directive 03/2004

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$16 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

# EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

## RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 261,099	\$ 237,016	\$ -	\$ -
Recoveries - First Nation Reserves	-	-	-	-
Recoveries - Inter-Authority Services	552	518	-	-
Miscellaneous Revenue:				
Department of Education	-	-	1,790	1,682
Department of Seniors and Community Supports	-	-	-	19
	<b>\$ 261,651</b>	<b>\$ 237,534</b>	<b>\$ 1,790</b>	<b>\$ 1,701</b>
<b>Expenses - Directly Incurred:</b>				
Inter-Authority Services Received	\$ 1,794	\$ 711	\$ -	\$ -
Department of Children's Services	2,569	2,598	-	-
Department of Advanced Education and Technology	-	-	90	61
Department of Education	-	-	829	821
Department of Health and Wellness	-	-	625	653
Department of Service Alberta	-	-	107	91
Department of Seniors and Community Supports	-	-	-	5
	<b>\$ 4,363</b>	<b>\$ 3,309</b>	<b>\$ 1,651</b>	<b>\$ 1,631</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 6,089	\$ 7,185	\$ -	\$ -
Calgary and Area Child and Family Services Authority	5	-	-	-
Central Alberta Child and Family Services Authority	(8)	25	-	-
East Central Alberta Child and Family Services Authority	42	51	-	-
North Central Alberta Child and Family Services Authority	57	68	-	-
Northwest Alberta Child and Family Services Authority	-	2	-	-
Northeast Alberta Child and Family Services Authority	-	25	-	-
Metis Settlements Child and Family Services Authority	(241)	(176)	-	-
Department of Education	-	-	620	476
Alberta Alcohol and Drug Abuse Commission	-	-	-	11
Persons with Developmental Disabilities	-	-	31	-
	<b>\$ 5,943</b>	<b>\$ 7,180</b>	<b>\$ 651</b>	<b>\$ 487</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged.

The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2007	2006
<b>EXPENSES (NOTIONAL):</b>		
Accommodation	\$ 5,833	\$ 5,875
Administrative	2,999	2,790
Legal Services	1,709	1,633
	<b>\$ 10,541</b>	<b>\$ 10,298</b>

(a) Administrative costs for 2006 have been restated as if the Authority had always been assigned with its current responsibilities.

The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>		Total Expenses	Total Expenses Restated <sup>(6)</sup>	
		Accommodation	Administration	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts			
Child Care	\$ 35,276	\$ 285	\$ -	\$ -	\$ 8	\$ -	\$ 35,569	\$ 29,015	
Family Support for Children with Disabilities	29,979	684	-	-	18	187	30,868	26,793	
Early Intervention	9,295	16	-	-	-	-	9,311	8,783	
Prevention of Family Violence and Bullying	387	7	-	-	-	-	394	388	
Parenting Resources Initiative	2,914	-	-	-	-	-	2,914	2,762	
Fetal Alcohol Spectrum Disorder Initiatives	1,538	-	-	-	-	-	1,538	1,294	
Child Intervention Services	171,902	4,536	2,999	1,709	123	-	181,269	170,354	
Child and Youth Support	1,358	12	-	-	-	-	1,370	1,361	
Protected Children from Sexual Exploitation	1,943	79	-	-	2	-	2,024	-	
Community Initiatives	1,802	127	-	-	3	-	1,932	1,824	
Program Support	4,419	87	-	-	2	-	1,508	4,747	
Board Governance	152	-	-	-	-	-	152	150	
Inter-Authority Services	552	-	-	-	-	-	552	518	
Amortization	6	-	-	-	-	-	6	13	
	<b>\$ 261,523</b>	<b>\$ 5,833</b>	<b>\$ 2,999</b>	<b>\$ 1,709</b>	<b>\$ 156</b>	<b>\$ 187</b>	<b>\$ 272,407</b>	<b>\$ 248,002</b>	

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Edmonton and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative costs for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.



NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the North Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the North Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn FCA  
Auditor General

Edmonton, Alberta  
May 15, 2007

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)					
	2007		2006		2006	
	Budget	Actual		Actual		
<b>REVENUE</b>						
<b>Internal Government Transfers</b>						
Grant from the Department of Children's Services (NOTE 3)	\$ 41,410	\$ 43,503		\$ 39,951		
<b>Other Revenue</b>						
Recoveries - Inter-Authority Services	395	829		639		
Recoveries - First Nations		159		98		
Miscellaneous Revenue	-	543		837		
	<b>41,805</b>	<b>45,034</b>	<b>41,525</b>			
<b>EXPENSE (SCHEDULES 1 AND 4)</b>						
<b>Program</b>						
<b>Promoting the development and well being of children, youth and families:</b>						
Child Care	4,529	3,220		3,143		
Family Support for Children with Disabilities	3,643	4,323		3,932		
Early Intervention	2,413	2,169		2,343		
Parenting Resources Initiative	684	763		708		
Fetal Alcohol Spectrum Disorder Initiatives	175	442		162		
<b>Keeping children, youth and families safe and protected:</b>						
Child Intervention Services	27,743	30,133		27,709		
Child and Youth Support	480	493		500		
Protected Children from Sexual Exploitation	-	20		-		
<b>Promoting healthy communities for children, youth and families:</b>						
Community Initiatives	157	72		116		
<b>Support Services:</b>						
Program Support	1,333	1,164		1,187		
Board Governance	240	181		214		
Amortization	13	13		12		
Inter-Authority Services	395	829		639		
Valuation Adjustments (NOTE 2)	-	86		112		
<b>TOTAL EXPENSES</b>	<b>41,805</b>	<b>43,908</b>	<b>40,777</b>			
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 1,126</b>	<b>\$ 748</b>			

The accompanying notes and schedules are part of these financial statements.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 7,044	\$ 5,703
Accounts Receivable (NOTE 4)	1,572	1,511
Prepaid Expenses	-	3
Tangible Capital Assets (NOTE 5)	19	32
	<b>\$ 8,635</b>	<b>\$ 7,249</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	\$ 3,444	\$ 3,184
	<b>3,444</b>	<b>3,184</b>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	4,065	3,317
Net Operating Results	1,126	748
Net Assets at End of Year	<b>5,191</b>	<b>4,065</b>
	<b>\$ 8,635</b>	<b>\$ 7,249</b>

The accompanying notes and schedules are part of these financial statements.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 1,126	\$ 748
Non-Cash Items included in Net Operating Results:		
Amortization	13	12
Valuation Adjustments	86	112
	<u>1,225</u>	<u>872</u>
Increase in Accounts Receivable (a)	(61)	(287)
Decrease Prepayments	3	2
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	174	(756)
Cash Provided ( Applied to) by Operating Transactions	<u>1,341</u>	<u>(169)</u>
<b>Increase (Decrease) in Cash</b>	1,341	(169)
<b>Cash, Beginning of Year</b>	5,703	5,872
<b>Cash, End of Year</b>	<u>\$ 7,044</u>	<u>\$ 5,703</u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

### Note 1 Authority and Purpose

The North Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

#### Reporting Entity

The reporting entity is the North Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

#### Basis of Financial Reporting

##### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

##### *Expenses*

##### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- amortization of tangible capital assets.

# NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

### INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 3.

#### *Assets*

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

#### *Liabilities*

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### *Valuation of Financial Assets and Liabilities*

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

#### *Net Assets/Net Liabilities*

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

#### *Budget (In thousands)*

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$41,805 on April 20, 2006.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Measurement Uncertainty*

*(In thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,572 and \$3,444 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$41,410
Additional funding for the current year	2,093
Grant for the year	<u><u>\$43,503</u></u>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$1,559	\$-	\$1,559	\$1,408
Refunds from suppliers	13	-	13	106
	<hr/>	<hr/>	<hr/>	<hr/>
	\$1,572	\$-	\$1,572	\$1,514
	<hr/>	<hr/>	<hr/>	<hr/>

Accounts receivable are unsecured and non-interest bearing.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Tangible Capital Assets**  
 (in thousands)

	<b>Equipment*</b>	<b>2007 Total</b>	<b>2006 Total</b>
<b>Estimated Useful Life</b>	5 Years		
<b>Historical Cost</b>			
Beginning of year	\$63	\$63	\$63
Additions			
Disposals, including write-downs	\$63	\$63	\$63
<b>Accumulated Amortization</b>			
Beginning of year	\$31	\$31	\$19
Amortization expense	13	13	12
	\$44	\$44	\$31
<b>Net Book Value at March 31, 2007</b>	<b>\$19</b>	<b>\$19</b>	
<b>Net Book Value at March 31, 2006</b>	<b>\$32</b>		<b>\$32</b>

- \* Equipment includes: Office equipment, furniture and other equipment

**Note 6 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$2,097	\$2,020
Accrued Vacation Pay and Manpower Expense	1,061	999
Department of Children's Services	106	62
Child and Family Services Authorities	180	103
	<b>\$3,444</b>	<b>\$3,184</b>

**Note 7 Contractual Obligations**  
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	<b>\$436</b>	<b>\$409</b>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows

	<b>Long-term Leases</b>
2008	\$189
2009	155
2010	76
2011	16

**Note 8 Contingent Liabilities  
(in thousands)**

At March 31, 2007, the Authority is a defendant in five legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – three legal claims). The five claims have specified amounts totaling \$23,285 (2006 – three claims with a specified amount of \$16,650).

Included in the total claims are five claims amounting to \$23,285 (2006 – three claims amounting to \$16,650) in which the Authority has been jointly named with other entities. Four claims amounting to \$16,785 (2006 – three claims amounting to \$16,620) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

**Note 9 Defined Benefit Plans  
(in thousands)**

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$675 for the year ended March 31, 2007 (2006 - \$599).

**Note 10 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 11 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>a</sup>	\$ 11,720	\$ 11,764	\$ 10,967
Supplies and Services <sup>b</sup>	26,045	24,760	22,740
Grants <sup>b</sup>	4,027	6,456	6,307
Amortization of Capital Assets	13	13	12
Inter-Authority Services	-	829	639
Other	-	86	112
<b>Total Expenses</b>	<b>\$ 41,805</b>	<b>\$ 43,908</b>	<b>\$ 40,777</b>

(a) This includes \$68 (2006 - \$56) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$3,398 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

(IN THOUSANDS)

	2007				2006	
	Base Salary (1)	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total	
Co-Chair of the Authority	\$ -	\$ 29	\$ -	\$ 29	\$ -	\$ 25
Co-Chair of the Authority	\$ -	\$ 27	\$ -	\$ 27	\$ -	\$ 22
Board Members (11 MEMBERS)	\$ -	\$ 89	\$ -	\$ 89	\$ -	\$ 95
Chief Executive Officer	\$ 151	\$ 23	\$ 5	\$ 179	\$ -	\$ 161

*Prepared in accordance with Treasury Board Directive 03/2004*

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$27 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

# NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 43,503	\$ 39,951	\$ -	\$ -
Recoveries - Inter-Authority Services	829	639	-	-
Miscellaneous Revenue	-	-	-	-
	<b>\$ 44,332</b>	<b>\$ 40,590</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 493	\$ 263	\$ -	\$ -
Department of Children's Services	497	562	-	-
Department of Education	-	-	-	51
Department of Health and Wellness	-	-	63	52
	<b>\$ 990</b>	<b>\$ 825</b>	<b>\$ 63</b>	<b>\$ 103</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 841	\$ 1,129	\$ -	\$ -
Southeast Alberta Child and Family Services Authority	13	-	-	-
Central Alberta Child and Family Services Authority	-	2	-	-
East Central Alberta Child and Family Services Authority	25	10	-	-
Edmonton and Area Child and Family Services Authority	(57)	(79)	-	-
Northwest Alberta Child and Family Services Authority	(63)	(24)	-	-
Northeast Alberta Child and Family Services Authority	26	110	-	-
Metis Settlements Child And Family Services Authority	-	28	-	-
	<b>\$ 785</b>	<b>\$ 1,176</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider provide the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2007	2006
<b>Expenses (NOTIONAL):</b>		
Accommodation	\$ 1,149	\$ 1,133
Administrative	571	535
Legal Services	(90)	145
	<b>\$ 1,810</b>	<b>\$ 1,813</b>

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities.

The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)										2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>			Total Expenses	Total Expenses Restated <sup>(6)</sup>				
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts							
Child Care	\$ 3,220	\$ 48	\$ 24	\$ -	\$ 4	\$ -	\$ 3,296	\$ 3,201					
Family Support for Children with Disabilities	4,323	66	33	-	5	-	4,427	4,028					
Early Intervention	2,169	7	4	-	1	-	2,181	2,343					
Prevention of Family Violence and Bullying	-	-	-	-	-	-	-	-					
Parenting Resources Initiative	763	-	-	-	-	-	763	708					
Fetal Alcohol Spectrum Disorder Initiatives	442	-	-	-	-	-	442	162					
Child Intervention Services	30,133	981	487	90	73	-	31,764	29,397					
Child and Youth Support	493	-	-	-	-	-	493	500					
Protected Children from Sexual Exploitation	20	-	-	-	-	-	20	-					
Community Initiatives	72	4	2	-	-	-	78	141					
Program Support	1,164	43	21	-	3	-	1,231	1,245					
Board Governance	181	-	-	-	-	-	181	214					
Inter-Authority Services	829	-	-	-	-	-	829	639					
Amortization	13	-	-	-	-	-	13	12					
	<b>\$ 43,822</b>	<b>\$ 1,149</b>	<b>\$ 571</b>	<b>\$ 90</b>	<b>\$ 86</b>	<b>\$ -</b>	<b>\$ 45,718</b>	<b>\$ 42,590</b>					

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the North Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain

14 administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the Northwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Dunn FCA  
Auditor General

Edmonton, Alberta  
May 14, 2007

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)					
	2007		2006		2006	
	Budget	Actual	Actual			
<b>REVENUE</b>						
<b>Internal Government Transfers</b>						
Grant from the Department of Children's Services (NOTE 3)	\$ 31,317	\$ 31,934	\$ 29,433			
<b>Other Revenue (NOTE 2)</b>						
Recoveries - Inter-Authority Services	144	313	198			
Other Revenue - Donations	-	1	-			
Miscellaneous Revenue	30	428	61			
	<b>31,491</b>	<b>32,676</b>	<b>29,692</b>			
<b>EXPENSE (SCHEDULES 1 AND 4)</b>						
<b>Program</b>						
<b>Promoting the development and well being of children, youth and families:</b>						
Child Care	3,757	2,620	2,355			
Family Support for Children with Disabilities	2,949	3,346	3,711			
Early Intervention	2,077	2,514	2,044			
Prevention of Family Violence and Bullying	50	77	58			
Parenting Resources Initiative	382	396	382			
Fetal Alcohol Spectrum Disorder Initiatives	121	106	117			
<b>Keeping children, youth and families safe and protected:</b>						
Child Intervention Services	18,458	18,730	17,477			
Child and Youth Support	316	279	290			
Protected Children from Sexual Exploitation	-	120	-			
<b>Promoting healthy communities for children, youth and families:</b>						
Community Initiatives	788	520	538			
<b>Support Services:</b>						
Program Support	2,190	2,491	2,178			
Board Governance	235	247	207			
Amortization	24	25	24			
Inter-Authority Services	144	313	198			
Valuation Adjustments (NOTE 2)	-	84	36			
<b>TOTAL EXPENSES</b>	<b>31,491</b>	<b>31,868</b>	<b>29,615</b>			
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 808</b>	<b>\$ 77</b>			

The accompanying notes and schedules are part of these financial statements.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 2,789	\$ 1,563
Accounts Receivable (NOTE 4)	1,536	1,280
Tangible Capital Assets (NOTE 5)	73	98
	<b>\$ 4,398</b>	<b>\$ 2,941</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 6)	<b>\$ 2,652</b>	<b>\$ 2,003</b>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	938	861
Net Operating Results	808	77
Net Assets at End of Year	<b>1,746</b>	<b>938</b>
	<b>\$ 4,398</b>	<b>\$ 2,941</b>

The accompanying notes and schedules are part of these financial statements.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 808	\$ 77
Non-Cash Items included in Net Operating Results:		
Amortization	25	24
Valuation Adjustments	84	36
	<u>917</u>	<u>137</u>
Increase in Accounts Receivable <sup>(a)</sup>	(256)	(234)
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	565	147
Cash Provided by Operating Transactions	<u>1,226</u>	<u>50</u>
 <b>Increase in Cash</b>	 1,226	 50
 <b>Cash, Beginning of Year</b>	 1,563	 1,513
 <b>Cash, End of Year</b>	 <u>\$ 2,789</u>	 <u>\$ 1,563</u>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

## **Note 1 Authority and Purpose**

The Northwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

## **Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

### **Reporting Entity**

The reporting entity is the Northwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

### **Basis of Financial Reporting**

#### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

#### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

#### *Expenses*

#### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- amortization of tangible capital assets.

# NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments
- arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

### INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

#### *Assets*

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

#### *Liabilities*

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### *Valuation of Financial Assets and Liabilities*

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

#### *Net Assets/Net Liabilities*

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Budget (In thousands)*

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$31,491 on July 25, 2006.

*Measurement Uncertainty*

*(In thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,536 and \$2,652 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 31,317
Additional funding for the current year	617
Grant for the year	<u>\$ 31,934</u>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 1,350	\$ -	\$ 1,350	\$ 1,201	
Refunds from suppliers	186	-	186	79	
	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ 1,280</u>	

Accounts receivable ... unsecured and non-interest bearing.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Tangible Capital Assets**  
 (in thousands)

	<b>Computer hardware and software</b>		<b>2007 Total</b>	<b>2006 Total</b>
<b>Estimated Useful Life</b>	5 Years			
Beginning of year	\$ 122	\$ 122	\$ 122	\$ 122
Additions	-	-	-	-
Disposals, including write- downs	-	-	-	-
	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ 122</u>	
<b>Accumulated Amortization</b>				
Beginning of year	\$ 24	\$ 24	\$ -	\$ -
Amortization expense	25	25	24	24
Effect of disposal	-	-	-	-
	<u>\$ 49</u>	<u>\$ 49</u>	<u>\$ 24</u>	
<b>Net Book Value at March 31, 2007</b>	<u><u>\$ 73</u></u>	<u><u>\$ 73</u></u>		
<b>Net Book Value at March 31, 2006</b>	<u><u>\$ 98</u></u>		<u><u>\$ 98</u></u>	

- \*Equipment includes: Office equipment, furniture and other equipment

**Note 6 Accounts Payable and Accrued Liabilities**  
 (in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 1,445	\$ 924
Accrued Vacation Payable & Manpower Expenses	1,042	1,016
Department of Children's Services	88	61
Child and Family Services Authorities	42	2
Other	35	-
	<u>\$ 2,652</u>	<u>\$ 2,003</u>

# NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

## Note 7 Contractual Obligations (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	<u>\$ 406</u>	<u>\$ 530</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows

	Long-term Leases
2008	\$ 184
2009	134
2010	71
2011	17
	<u>\$ 406</u>

## Note 8 Contingent Liabilities (in thousands)

At March 31, 2007, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – zero legal claims). The two claims have specified amounts totaling \$7,045 (2006 – zero claims with a specified amount of \$0 and zero with no specified amount).

Included in the total claims are two claims amounting to \$7,045 (2006 – zero claims amounting to \$0) in which the Authority has been jointly named with other entities. One claim amounting to \$545 (2006 – zero claims amounting to \$0) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

## Note 9 Defined Benefit Plans (in thousands)

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$692 for the year ended March 31, 2007 (2006 - \$645).

## Note 10 Comparative Figures

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 11 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>a</sup>	\$ 10,793	\$ 11,013	\$ 10,554
Supplies and Services <sup>b</sup>	17,108	15,456	13,635
Grants <sup>b</sup>	3,422	4,962	5,168
Amortization of Capital Assets	24	25	24
Inter-Authority Services	144	313	198
Other	-	99	36
<b>Total Expenses</b>	<b>\$ 31,491</b>	<b>\$ 31,868</b>	<b>\$ 29,615</b>

(a) This includes \$75 (2006 \$61) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$3,120 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)				2006
	2007	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	
Co-Chair of the Authority	\$ 31	\$ –	\$ 31	\$ –	\$ 30
Co-Chair of the Authority	\$ 39	\$ –	\$ 39	\$ –	\$ 26
Board Members (11 MEMBERS)	\$ 136	\$ –	\$ 136	\$ –	\$ 105
Chief Executive Officer	\$ 175	\$ 127	\$ 19	\$ 29	\$ 168

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$37 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

# NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 31,934	\$ 29,433	\$ -	\$ -
Recoveries - Inter-Authority Services	313	198	-	-
Prior-Year Revenue - First Nation Reserves	26	27	-	-
Miscellaneous Revenue:				
Department of Justice & Attorney General - Maintenance Enforcement Program	-	-	17	24
	<b>\$ 32,273</b>	<b>\$ 29,658</b>	<b>\$ 17</b>	<b>\$ 24</b>
<b>Expenses - Directly Incurred</b>				
Department of Children's Services	\$ 497	\$ 421	\$ -	\$ -
Inter-Authority Services Received	60	23	-	-
Department of Education	-	-	811	639
Department of Service Alberta	-	-	15	16
	<b>\$ 557</b>	<b>\$ 444</b>	<b>\$ 826</b>	<b>\$ 655</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 839	\$ 1,168	\$ -	\$ -
Central Alberta Child and Family Services Authority	-	(2)	-	-
North Central Alberta Child and Family Services Authority	63	24	-	-
Northeast Alberta Child and Family Services Authority	23	-	-	-
Metis Settlements Child And Family Services Authority	(15)	30	-	-
	<b>\$ 910</b>	<b>\$ 1,220</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	2007	2006
<b>Expenses (NOTIONAL):</b>		
Accommodation	\$ 1,845	\$ 1,736
Administrative	532	497
Legal Services	10	2
	<b>\$ 2,387</b>	<b>\$ 2,235</b>
(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged		

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						Total Expenses	Total Expenses Restated <sup>(6)</sup>		
		Expenses - Incurred by Others			Valuation Adjustments <sup>(6)</sup>						
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts					
Child Care	\$ 2,620	\$ 57	\$ 16	\$ -	\$ 3	\$ -	\$ 2,696	\$ 2,431			
Family Support for Children with Disabilities	3,346	108	31	-	5	-	3,490	3,837			
Early Intervention	2,514	-	-	-	-	-	2,514	2,044			
Prevention of Family Violence and Bullying	77	12	3	-	1	-	93	73			
Parenting Resources Initiative	396	-	-	-	-	-	396	382			
Fetal Alcohol Spectrum Disorder Initiatives	106	-	-	-	-	-	106	117			
Child Intervention Services	18,730	1,327	383	10	60	-	20,510	19,129			
Child and Youth Support	279	10	3	-	-	-	292	302			
Protected Children from Sexual Exploitation	120	-	-	-	-	-	120	-			
Community Initiatives	520	75	22	-	3	-	620	626			
Program Support	2,491	256	74	-	12	-	2,833	2,480			
Board Governance	247	-	-	-	-	-	247	207			
Inter-Authority Services	313	-	-	-	-	-	313	198			
Amortization	25	-	-	-	-	-	25	24			
	<b>\$ 31,784</b>	<b>\$ 1,845</b>	<b>\$ 532</b>	<b>\$ 10</b>	<b>\$ 84</b>	<b>\$ -</b>	<b>\$ 34,255</b>	<b>\$ 31,850</b>			

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Northwest Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.



NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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## Auditor's Report

To the Members of the Northeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn FCA  
Auditor General

Edmonton, Alberta  
May 25, 2007

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007	2006	
	Budget	Actual	Actual
<b>REVENUE</b>			
<b>Internal Government Transfers</b>			
Grant from the Department of Children's Services (NOTE 3)	\$ 10,089	\$ 10,780	\$ 9,781
<b>Other Revenue</b>			
Miscellaneous Revenue	414	351	307
	<b>10,503</b>	<b>11,131</b>	<b>10,088</b>
<b>EXPENSE (SCHEDULES 1 AND 4)</b>			
<b>Program</b>			
<b>Promoting the development and well being of children, youth and families:</b>			
Child Care	757	392	300
Family Support for Children with Disabilities	1,401	1,423	1,302
Early Intervention	568	532	456
Prevention of Family Violence and Bullying	-	-	10
Parenting Resources Initiative	76	195	196
Fetal Alcohol Spectrum Disorder Initiatives	10	10	10
<b>Keeping children, youth and families safe and protected:</b>			
Child Intervention Services	6,146	7,020	6,106
Child and Youth Support	105	100	113
Protected Children from Sexual Exploitation	-	46	-
<b>Promoting healthy communities for children, youth and families:</b>			
Community Initiatives	689	612	551
<b>Support Services:</b>			
Program Support	714	706	766
Board Governance	37	40	22
Valuation Adjustments (NOTE 2)	-	40	52
<b>TOTAL EXPENSES</b>	<b>10,503</b>	<b>11,116</b>	<b>9,884</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>\$ 204</b>

The accompanying notes and schedules are part of these financial statements.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Assets</b>		
Cash	\$ 1,401	\$ 1,626
Accounts Receivable (NOTE 4)	398	312
	<b>\$ 1,799</b>	<b>\$ 1,938</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 5)	\$ 640	\$ 794
	<u>640</u>	<u>794</u>
<b>Net Assets (Liabilities)</b>		
Net Assets at Beginning of Year	1,144	940
Net Operating Results	15	204
Net Assets at End of Year	<u>1,159</u>	<u>1,144</u>
	<b>\$ 1,799</b>	<b>\$ 1,938</b>

The accompanying notes and schedules are part of these financial statements.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	2007	2006
<b>Operating Transactions</b>		
Net Operating Results	\$ 15	\$ 204
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	40	52
	<hr/> 55	<hr/> 256
Decrease (Increase) in Accounts Receivable	(86)	(9)
Increase (Decrease) in Accounts Payable		
and Accrued Liabilities <sup>(a)</sup>	(194)	125
Cash Provided ( Applied to) by Operating Transactions	<hr/> (225)	<hr/> 372
<b>Increase (Decrease) in Cash</b>	(225)	372
<b>Cash, Beginning of Year</b>	1,626	1,254
<b>Cash, End of Year</b>	<hr/> \$ 1,401	<hr/> \$ 1,626

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

# NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

### Note 1 Authority and Purpose

The Northeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

#### Reporting Entity

The reporting entity is the Northeast Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

#### Basis of Financial Reporting

##### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 8) that are restricted is recognized in the year when the related expenses are incurred.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

#### *Expenses*

##### DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- amortization of tangible capital assets.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

**INCURRED BY OTHERS**

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

***Budget (In thousands)***

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$10,503 on May 10, 2006.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Measurement Uncertainty*  
(*In thousands*)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$398 and \$640 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(in thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$	10,089
Additional funding for the current year		691
Grant for the year	\$	<b>10,780</b>

**Note 4 Accounts Receivable  
(in thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 398	\$ -	\$ 398	\$ 312	
Refunds from suppliers	-	-	-	-	
	\$ 398	\$ -	\$ 398	\$ 312	

Accounts receivable are unsecured and non-interest bearing.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Accounts Payable and Accrued Liabilities**  
(in thousands)

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 367	\$ 476
Accrued Vacation Pay and Manpower Expense	224	183
Child and Family Services Authorities	49	135
	<hr/> <b>\$ 640</b>	<hr/> <b>\$ 794</b>

**Note 6 Contractual Obligations**  
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	<hr/> \$ 72	<hr/> 99

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows

	Long-term Leases
2008	\$ 29
2009	22
2010	16
2011	5
2012	0
Thereafter	<hr/> \$ 0

**Note 7 Contingent Liabilities**  
(in thousands)

At March 31, 2007, the Authority is a defendant in one legal claim either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – \$0 legal claims). The one claim has specified amounts totaling \$6,500 (2006 – zero claims with a specified amount of \$0).

Included in the total claims is one claim amounting to \$6,500 (2006 – zero claims amounting to \$0) in which the Authority has been jointly named with other entities. One claim amounting to \$6,500 (2006 – zero claims amounting to \$0) is covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**SALARY AND BENEFITS DISCLOSURE – Schedule 2**  
Year ended March 31, 2007

	(IN THOUSANDS)				2006
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	
Co-Chair of the Authority	\$ -	\$ 7	\$ -	\$ 7	\$ 4
Co-Chair of the Authority	\$ -	\$ 12	\$ -	\$ 12	\$ 11
Board Members (4 MEMBERS)	\$ -	\$ 23	\$ -	\$ 23	\$ 7
Chief Executive Officer (4)	\$ 152	\$ 32	\$ 6	\$ 190	\$ 161

Prepared in accordance with Treasury Board Directive 03/2004

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$16 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided to the CEO, no dollar amount included in other non-cash benefits figures.

# NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

## RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

	(IN THOUSANDS)					
	Entities in the Ministry		Other Entities		2007	2006
	2007	2006	2007	2006		
<b>Revenues:</b>						
Grant from the Department of Children's Services	\$ 10,780	\$ 9,781	\$ -	\$ -	2007	2006
	<u><b>\$ 10,780</b></u>	<u><b>\$ 9,781</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>		
<b>Expenses - Directly Incurred</b>						
Inter-Authority Services Received	\$ 450	\$ 327	\$ -	\$ -	2007	2006
Department of Children's Services	166	211	-	-		
Department of Education	-	-	402	374		
Department of Health and Wellness	-	-	131	130		
Department of Service Alberta	-	-	3	-		
	<u><b>\$ 616</b></u>	<u><b>\$ 538</b></u>	<u><b>\$ 533</b></u>	<u><b>\$ 507</b></u>		
<b>Receivable from/(Payable to):</b>						
Department of Children's Services (Net)	\$ 246	\$ 228	\$ -	\$ -	2007	2006
Edmonton and Area Child and Family Services Authority	-	(25)	-	-		
North Central Alberta Child and Family Services Authority	(26)	(110)	-	-		
Northwest Alberta Child and Family Services Authority	(23)	-	-	-		
	<u><b>\$ 197</b></u>	<u><b>\$ 93</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>		

The Authority also had the following transactions with related parties for which no consideration was exchanged.

The amounts for these related party transactions are estimated based on the costs incurred by the service provider providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)			
	Other Entities		2007	2006
	2007	Restated <sup>(a)</sup>		
<b>Expenses (NOTIONAL):</b>				
Accommodation	\$ 501	\$ 602	2007	2006
Administrative	143	127		
Legal Services	<u><b>\$ 644</b></u>	<u><b>\$ 729</b></u>		

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities.

The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
FINANCIAL STATEMENTS  
MARCH 31, 2007

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## Auditor's Report

To the Members of the Métis Settlements Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Métis Settlements Child and Family Services Authority (the Authority) as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred P. Dunn  
FCA  
Auditor General

Edmonton, Alberta  
May 15, 2007

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2007

	(IN THOUSANDS)		
	<u>2007</u>	<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUE</b>			
<b>Internal Government Transfers</b>			
Grant from the Department of Children's Services (NOTE 3)	\$ 4,902	\$ 5,180	\$ 4,865
<b>Other Revenue</b>			
Recoveries - Inter-Authority Services	756	1,561	538
Miscellaneous Revenue	-	85	23
	<b>5,658</b>	<b>6,826</b>	<b>5,426</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
<b>Program</b>			
<b>Promoting the development and well being of children, youth and families:</b>			
Child Care	105	-	5
Family Support for Children with Disabilities	294	297	224
Early Intervention	552	702	697
Parenting Resources Initiative	50	76	42
Fetal Alcohol Spectrum Disorder Initiatives	25	26	25
<b>Keeping children, youth and families safe and protected:</b>			
Child Intervention Services	2,508	2,963	2,773
Child and Youth Support	312	296	297
Protected Children from Sexual Exploitation	-	59	1
<b>Promoting healthy communities for children, youth and families:</b>			
Community Initiatives	370	177	100
<b>Support Services:</b>			
Program Support	536	468	523
Board Governance	150	111	133
Inter-Authority Services	756	1,561	538
Valuation Adjustments	-	(9)	66
<b>TOTAL EXPENSES</b>	<b>5,658</b>	<b>6,727</b>	<b>5,424</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 99</b>	<b>\$ 2</b>

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2007

	(IN THOUSANDS)	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash	\$ 256	\$ 589
Accounts Receivable (NOTE 4)	729	376
Prepaid Expenses	153	-
Advances	2	1
	<b><u>\$ 1,140</u></b>	<b><u>\$ 966</u></b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 5)	\$ 416	\$ 341
	<u>416</u>	<u>341</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	625	623
Net Operating Results	99	2
Net Assets at End of Year	<u>724</u>	<u>625</u>
	<b><u>\$ 1,140</u></b>	<b><u>\$ 966</u></b>

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2007

	(IN THOUSANDS)	
	<u>2007</u>	<u>2006</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 99	\$ 2
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	(9)	66
	90	68
Decrease (Increase) in Accounts Receivable	(353)	153
Increase in Advances	(1)	(1)
Increase in Prepaid Expenses	(153)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	84	(205)
Cash Provided by (Applied to) Operating Transactions	<u>(333)</u>	<u>15</u>
<b>Increase (Decrease) in Cash</b>	<b>(333)</b>	<b>15</b>
<b>Cash, Beginning of Year</b>	<b>589</b>	<b>574</b>
<b>Cash, End of Year</b>	<b><u>\$ 256</u></b>	<b><u>\$ 589</u></b>

<sup>(a)</sup> Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 1 Authority and Purpose**

The Métis Settlements Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

**Reporting Entity**

The reporting entity is the Métis Settlements Child and Family Services Authority, which is part of the Ministry of Children's Services.

**Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children's Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted is recognized in the year when the related expenses are incurred.

**Internal Government Transfers**

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

**Expenses**

**DIRECTLY INCURRED**

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses, such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.

# METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2007

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.
- Grants are recognized when authorized and eligibility criteria are met.

### INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 3.

#### *Assets*

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

#### *Liabilities*

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### *Valuation of Financial Assets and Liabilities*

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

#### *Net Assets/Net Liabilities*

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

#### *Budget (In thousands)*

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2006-07 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2006. The Authority approved the budget of \$5,658 on March 25, 2006.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 8 Third Party Agreements**  
(In thousands)

The Authority has entered into a third party agreement with Student Health Partnership to deliver various program services. The revenues of \$402 (2006 - \$372) and expenses of \$402 (2006 - \$372) are included in the financial statements. The associated accounts receivable amounted to \$77 (2006 - \$70) and accounts payable and accrued liabilities amounted to \$0 (2006 - \$0)

Student Health Partnership	2007	2006
Revenue	\$ 402	\$ 372
Expenses	(402)	(372)
	<u>\$ 0</u>	<u>\$ 0</u>

**Note 9 Defined Benefit Plans**  
(in thousands)

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plan. The Authority also participates in multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$167 for the year ended March 31, 2007 (2006 - \$134).

**Note 10 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 11 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>a</sup>	\$ 2,960	\$ 3,559	\$ 2,699
Supplies and Services <sup>b</sup>	6,815	6,088	5,637
Grants <sup>b</sup>	728	1,429	1,496
Other	-	40	52
<b>Total Expenses</b>	<b>\$ 10,503</b>	<b>\$ 11,116</b>	<b>\$ 9,884</b>

(a) This includes \$45 (2006 - \$25) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$1,158 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 8 Defined Benefit Plans**  
**(In thousands)**

The Authority participates in multi-employer Management Employees Pension and Public Service Pension Plans. The Authority also participates in multi-employer Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$139 for the year ended March 31, 2007 (2006 - \$120).

**Note 9 Comparative Figures**

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

**Note 10 Approval of Financial Statements**

The financial statements were approved by the Authority's Board.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**EXPENSES – Directly Incurred Detailed by Object – Schedule 1**

Year ended March 31, 2007

	(IN THOUSANDS)		
	2007 Budget	2007 Actual	2006 Actual
Salaries, Wages and Employee Benefits <sup>(a)</sup>	\$ 2,003	\$ 1,845	\$ 1,667
Supplies and Services <sup>(b)</sup>	3,415	2,954	2,841
Grants <sup>(b)</sup>	240	376	312
Inter-Authority Services	-	1,561	538
Other	-	(9)	66
<b>Total Expenses</b>	<b>\$ 5,658</b>	<b>\$ 6,727</b>	<b>\$ 5,424</b>

(a) This includes \$42 (2006 \$35) in achievement bonuses for management and non union staff

(b) 2006 Supplies and Services amounts totalling \$92 for the *Family Support for Children with Disabilities* program have been reclassified to grants to conform with the 2007 presentation

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)										2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>			Total Expenses		Total Expenses			
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts							
Child Care	\$ 392	\$ 19	\$ 5	\$ -	\$ 2	\$ -	\$ 418	\$ 315					
Family Support for Children with Disabilities	1,423	37	11	-	3	-	1,474	1,302					
Early Intervention	532	-	-	-	-	-	532	456					
Prevention of Family Violence and Bullying	-	17	5	-	1	-	23	10					
Parenting Resources Initiative	195	-	-	-	-	-	195	196					
Fetal Alcohol Spectrum Disorder Initiatives	10	-	-	-	-	-	10	11					
Child Intervention Services	7,020	261	74	-	21	-	7,376	6,567					
Child and Youth Support	100	-	-	-	-	-	100	113					
Protected Children from Sexual Exploitation	46	-	-	-	-	-	46	-					
Community Initiatives	612	-	-	-	-	-	612	708					
Program Support	706	167	48	-	13	-	934	827					
Board Governance	40	-	-	-	-	-	40	22					
	<b>\$ 11,076</b>	<b>\$ 500</b>	<b>\$ 143</b>	<b>\$ -</b>	<b>\$ 40</b>	<b>\$ -</b>	<b>\$ 11,759</b>	<b>\$ 10,527</b>					

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Northeast Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

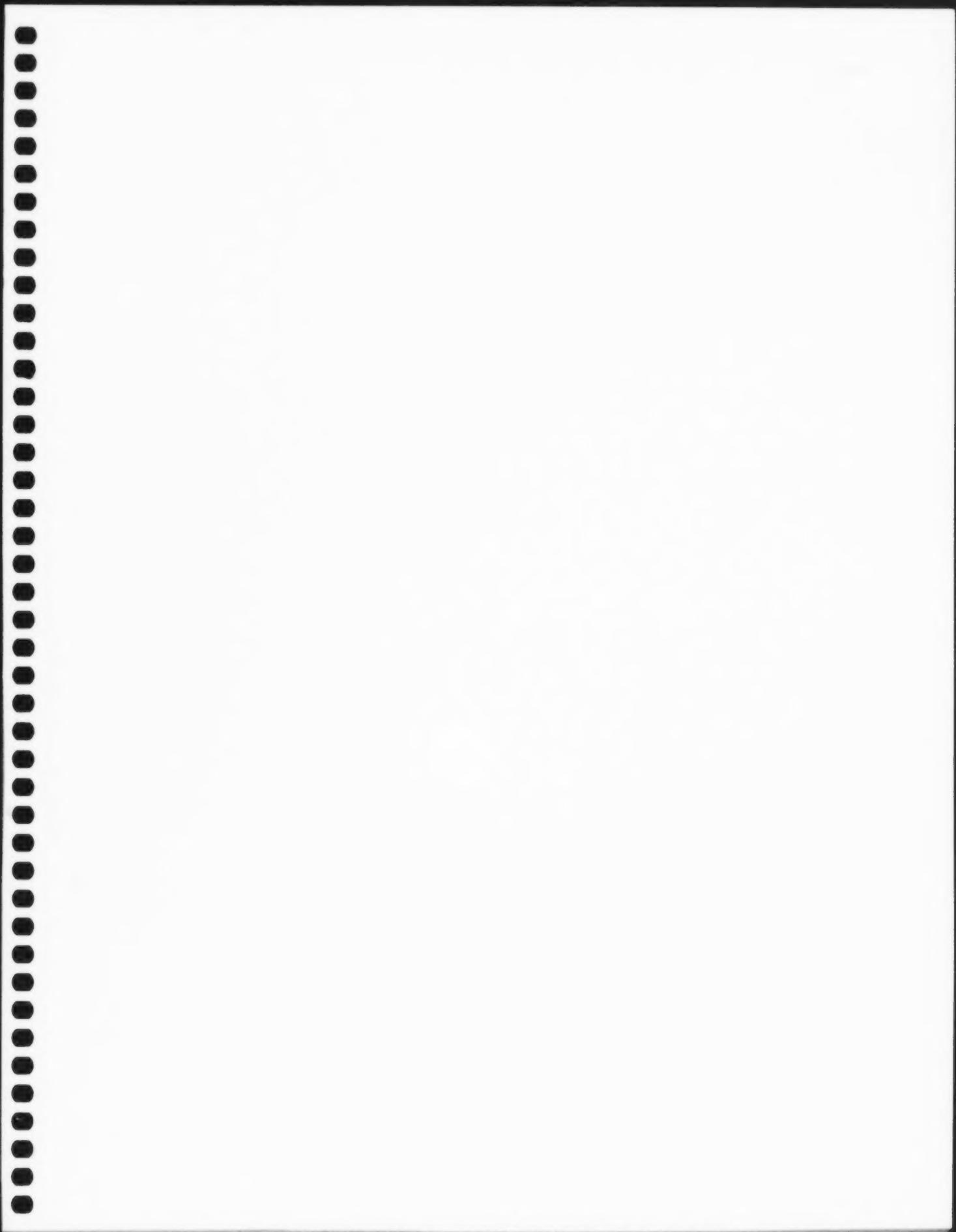
3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.



Alberta Children's Services

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2006-07

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**Alberta**

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)**

*Measurement Uncertainty*

*(In thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$729 and \$416 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

*Voluntary Contributions*

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**Note 3 Grant from the Department of Children's Services  
(In thousands)**

The grant was determined as follows:

Initial (ORIGINAL) budget	\$ 4,902
Additional funding for the current year	278
Grant for the year	<u>\$ 5,180</u>

**Note 4 Accounts Receivable  
(In thousands)**

	2007			2006	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 729	\$ -	\$ 729	\$ 376	
Refunds from suppliers	-	-	-	-	
	<u>\$ 729</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 376</u>	

Accounts receivable are unsecured and non-interest bearing.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended March 31, 2007

**Note 5 Accounts Payable and Accrued Liabilities  
 (In thousands)**

	<b>2007</b>	<b>2006</b>
Trade Payable	\$ 222	\$ 95
Accrued Vacation Pay and Manpower Expense	189	180
Department of Children's Services	2	8
Child and Family Services Authorities	3	58
	<b>\$ 416</b>	<b>\$ 341</b>

**Note 6 Contractual Obligations  
 (In thousands)**

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2008 similar to those provided by these organizations during the year ended March 31, 2007.

As at March 31, 2007, the Authority has the following other contractual obligations:

	<b>2007</b>	<b>2006</b>
Long-term leases <sup>(a)</sup>	\$ 42	\$ 28

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	Long-term Leases
2008	\$ 33
2009	9

**Note 7 Contingent Liabilities  
 (In thousands)**

At March 31, 2007, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2006 – 1 legal claim). The three claims have specified amounts totaling \$21,150 (2006 – 1 claim with a specified amount of \$250).

Included in the total claims are three claims amounting to \$21,150 (2006 – nil) in which the Authority has been jointly named with other entities. Two claims amounting to \$14,650 (2006 - \$250) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

**METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
SALARY AND BENEFITS DISCLOSURE – Schedule 2**

Year ended March 31, 2007

	(IN THOUSANDS)					2006
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total	
Co-Chair of the Authority	\$ -	\$ 22	\$ -	\$ 22	\$ 15	
Co-Chair of the Authority	-	21	-	21	23	
Board Members (4 MEMBERS)	-	45	-	45	43	
Chief Executive Officer	126	20	29	175	157	

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$21 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

# METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY RELATED PARTY TRANSACTIONS – Schedule 3

Year ended March 31, 2007

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2007	2006	2007	2006
<b>Revenues:</b>				
Grant from the Department of Children's Services	\$ 5,180	\$ 4,865	\$ -	\$ -
Recoveries - Inter-Authority Services	1,561	538	-	-
Prior-Year Revenue - Inter-Authority Services	85	-	-	-
	<b>\$ 6,826</b>	<b>\$ 5,403</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ -	\$ 232	\$ -	\$ -
Department of Children's Services	83	70	-	-
Department of Service Alberta	-	-	1	1
	<b>\$ 83</b>	<b>\$ 302</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>Receivable from/(Payable to):</b>				
Department of Children's Services (Net)	\$ 467	\$ 190	\$ -	\$ -
Central Alberta Child and Family Services Authority	1	-	-	-
East Central Alberta Child and Family Services Authority	(3)	-	-	-
Edmonton and Area Child and Family Services Authority	241	176	-	-
North Central Alberta Child and Family Services Authority	-	(28)	-	-
Northwest Alberta Child and Family Services Authority	15	(30)	-	-
	<b>\$ 721</b>	<b>\$ 308</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

Expenses (NOTIONAL):	(IN THOUSANDS)		
	Other Entities		2006
	2007	Restated <sup>(a)</sup>	
Accommodation	\$ 585	\$ 721	
Administrative	79	92	
Legal Services	<b>\$ 664</b>	<b>\$ 813</b>	

(a) Administrative cost for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
**ALLOCATED COSTS - Schedule 4**

Year ended March 31, 2007

Program	Expenses <sup>(1)</sup>	(IN THOUSANDS)						2006	
		Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>		Total Expenses		
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts			
Child Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	
Family Support for Children with Disabilities	297	30	4	-	(1)	-	330	268	
Early Intervention	702	-	-	-	-	-	702	697	
Parenting Resources Initiative	76	-	-	-	-	-	76	42	
Fetal Alcohol Spectrum Disorder Initiatives	26	-	-	-	-	-	26	25	
Child Intervention Services	2,963	434	59	-	(6)	-	3,450	3,331	
Child and Youth Support	296	15	2	-	-	-	313	322	
Protected Children from Sexual Exploitation	59	-	-	-	-	-	59	-	
Community Initiatives	177	27	3	-	-	-	207	142	
Program Support	468	79	11	-	(2)	-	556	667	
Board Governance	111	-	-	-	-	-	111	133	
Inter-Authority Services	1,561	-	-	-	-	-	1,561	538	
	<b>\$ 6,736</b>	<b>\$ 585</b>	<b>\$ 79</b>	<b>\$ -</b>	<b>\$ (9)</b>	<b>\$ -</b>	<b>\$ 7,391</b>	<b>\$ 6,170</b>	

1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Metis Settlements Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific program.

6) Administrative costs for 2006 have been restated as if the Authority had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.